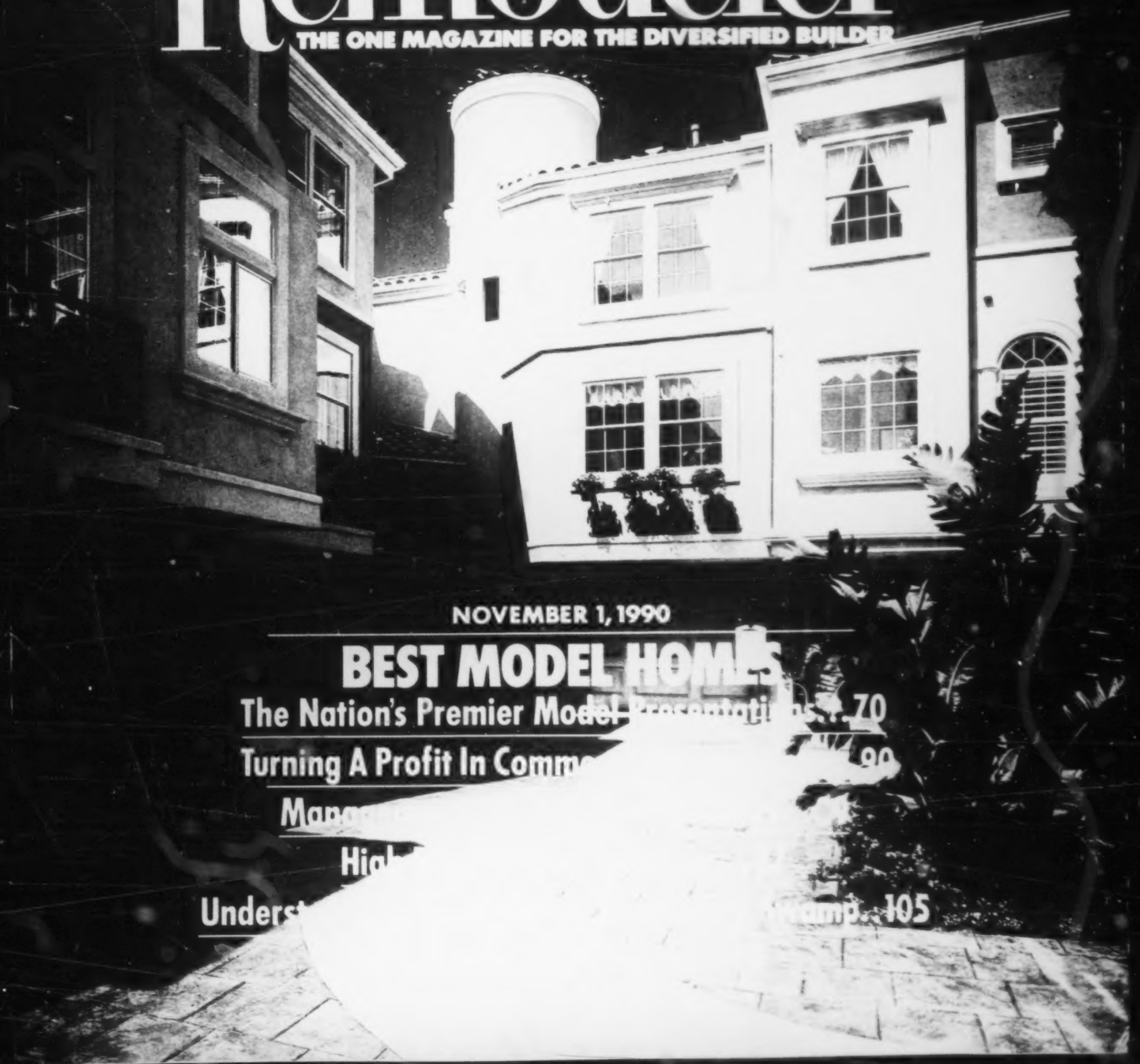
Professional Builder & Remodeler

THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER



NOVEMBER 1, 1990

BEST MODEL HOMES

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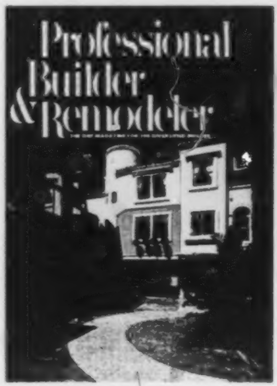


On The Cover

■ Corta Bella in Irvine, Calif., touted as the first "Euro-villa" residential development in this country, has motor court spaces designed for a mix of vehicles and pedestrians. Built by RGC, Newport Beach, these "outdoor rooms" also create a sheltered micro-climate blocking the wind and sun. Photography by John Bare.

Top-selling model homes: p. 70.

Creative infill site: p. 27.

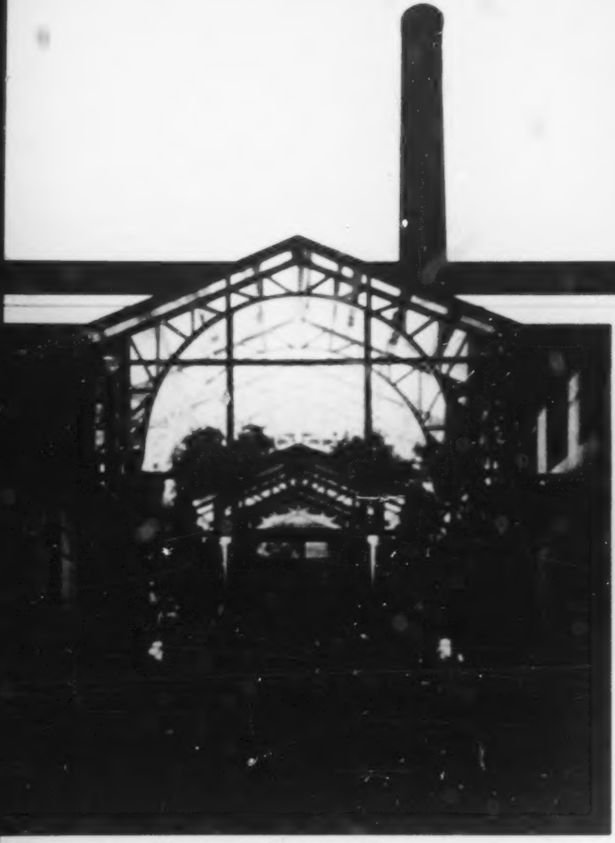
FEATURES

Best Model Homes 70

Model homes are a builder's calling card: the standard by which buyers measure quality and value. The editors of Professional Builder & Remodeler *selected these model homes based on the strength of their curb appeal, floor plans, interior design, merchandising and market acceptance.*

Trends In Commercial Renovation 90

There's money to be made in the field of non-residential rehab. In fact, reconstruction work may provide more opportunities than non-res construction in coming years. This story features four commercial structures that were successfully turned around by home builders.



Novel styles in commercial renovation: p. 90

New tile products: p. 122

Alternate designs: p. 108

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Business

■ An industry "Summit On The Potomac" generates a variety of ideas builders can use to survive this cyclical downturn: *p. 13.*

Markets

■ Unusual infill sites present interesting challenges to builders: *p. 27.* Creative use of signage not only directs buyers to product, but helps create a strong identity *p. 32.*

Management

■ Low-volume companies need to implement sophisticated controls when managing subs to assure quality and profitability: *p. 39.* One builder is making an effort to protect the environment by offering a recycling unit as a standard item: *p. 44.*

Marketing

■ By fully understanding human behavior patterns, model home salespeople can craft an approach that will convert lookers into buyers: *p. 57.*

Technology

■ Recent court cases have put wetlands issues back on the front burner: *p. 105.*

Next Issue

■ In the November 15th issue, the editors select the "Best In American Remodeling," offer tips on creating a business plan and spotlight adaptable designs for kitchens.

■ MONEY

Financial Services Delivery To Alter Design

By Allan G. Bortel,
Chartered Financial
Analyst, Vice President,
Sutro & Co.

A recent cover of *Business Week* depicted a traditional hearth scene—an Early American couple sitting by their home computer, the wife wearing a kerchief and sewing a sampler, the husband at the keyboard of the PC (holding the "mouse"). Hanging on the wall above the machine is another sampler with the words: A PC In Every Parlor.

While the husband may very well be playing a game on the computer, the possibility is strong that he could be earning a living, learning a new skill, tapping into an information source or moving around the family's financial resources.

Given the title of this monthly column, MONEY, we are focused on the economic use of the home PC, the appliance, which in the 1980s found its way into one in four homes in the U.S. But the PC is only part of the computer chip revolution and how we are accepting this new technology into our financial well being and into our homes.

Builders and remodelers must merge interactive technology with a proactive business plan.

So far, home builders and remodelers have largely ignored the integration of financial services delivery systems into the design of living space. The home computer, the fax and copy machine, as well as the telephone and its answering machine, are all part of the computer chip era. This revolution affects how we handle or move our financial resources—invest in securities, obtain or refinance loans, pay bills, receive income (salary, interest, dividends, etc.) and file income taxes.

Perhaps the revolution in financial services is most apparent to us in recent advances in telephone technology, such as voice mail and access to our answering machines from a touch tone phone anywhere in the world. From the airlines to credit cards, band and brokerage services, information is now delivered by robot voices dictating which buttons to push on the 12-key phone pad.

Information delivery, however, is not a one-way street. The same key pad can be used by the customer to activate a service beyond ordinary inquiry about transportation, a credit or debit balance, or which checks have cleared your bank account. The technology exists to purchase and print airline tickets, a daily newspaper, even a coupon book.

Now, Mr. and Ms. Builder or Remodeler, where does all this interactive technology fit into your pro-active business plan? Wiring? Built ins? Traffic flow? Marketing? Those are obvious, but the delivery of financial services in our homes will keep coming whether or not you choose to adapt to it.

Builders Report Drop In Confidence, Model Traffic

According to the latest results of a monthly builder panel survey, confidence in the market, already at depressed levels this summer, has continued to drop slightly.

The survey, commissioned by *Professional Builder & Remodeler* and Owens Corning Fiberglas, was conducted in August-September 1990. The results indicate that only one in five builders anticipates that local market conditions will improve. By way of comparison, over half of all builders were optimistic at the start of the year.

In the next three months, do you think that new housing/remodeling business in your area will be:

	Apr.-May	June-July	Aug.-Sept.
Better?	39.6%	23.7%	19.6%
Worse?	8.9%	13.4%	18.6%
Same?	51.5%	62.9%	61.8%

Source: Contractor Tracker Study

Over half of builder respondents said that model home traffic was down from the same period a year earlier, while one in four said it was keeping pace with 1989 levels. However, back in February, nearly eight of 10 builders reported that traffic was meeting or beating year-earlier levels.

Those builders reporting increases in model home traffic said it was up by 19.1%. Builders reporting decreases in traffic said it was off by 31.5%.

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PROFESSIONAL BUILDER & REMODELER (ISSN-0885-8020) Vol. 55, No. 19 is published monthly, except in January, March, April, June, July, September, and November when two issues are published and February, May and October when three issues are published in national, demographic and separate editions, by The Cahners Publishing Company, a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. The Post Office will not forward copies unless you pay the extra postage. We cannot replace lost copies. Please send a copy of the latest label when requesting address changes or adjustments. PROFESSIONAL BUILDER & REMODELER copyright 1990 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $129.95, two years $219.95; Canada/Mexico, one year $169.95, two years $289.95; other countries, one year $185, two years $315. There will be a surcharge for Air Mail of $285.00 on one-year rates and a $515.00 surcharge on two-year rates. Except for special issues where price changes are indicated, single copies of regular issues are available for $15. Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800.

INDICATORS

New Home Sales Are Firming

Remodeling shows growth, while prices stabilize.

Commerce Department figures for August show new home sales dipped only slightly in the immediate wake of the Iraqi invasion of Kuwait. In contrast to the sharp drop in consumer confidence levels and the spike up in mortgage interest rates, the steady pace of new home sales suggests that prospective home buyers are looking beyond the uncertainties.

The seasonally adjusted annualized rate of new home sales during the month of August totaled 550,000 units.

This rate was only 1.4% lower than the level recorded in March and was above the depressed rates of April and May. It is encouraging that there has not been a "knee-jerk" reaction to bad news.

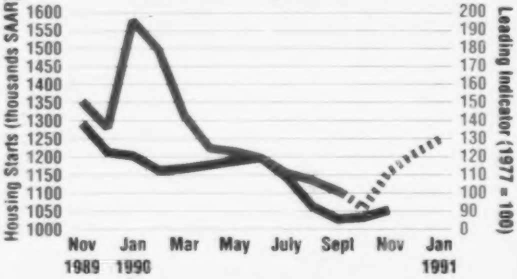
Land Price Escalation Exceeds Inflation In 60% Of Cities

A recent survey conducted by the Urban Land Institute shows the extent to which both levels and recent rates of change in residential land prices vary from area to area. In looking at residential lot prices in 30 cities nationwide, ULI found the average annual rate of price change for a standard improved 10,000-square-foot lot was 6.4% between 1985-1990. During the same five-year period the inflation rate, as measured by the government's consumer price index, rose 3.7% annually.

Lot price increases in 18 of the 30 cities surveyed matched or exceeded inflation. The sharpest increases over the final five years of the last decade were recorded in San Jose, San Diego and Seattle. Absolute declines in the price of a residential lot were documented in three areas—Houston, New Orleans and Louisville.

The recent slowdown in home price appreciation throughout most of the nation suggests that we are likely to see smaller annual increases in lot prices throughout the first several years of this decade. Nevertheless, the price of an improved lot will likely continue to increase faster than the inflation rate in areas with strong economies (including cities like Seattle and Portland) and in areas where the supply of buildable land is increasingly scarce or the development process is over regulated (including much of the Northeast and Florida).

PB&R Leading Indicator

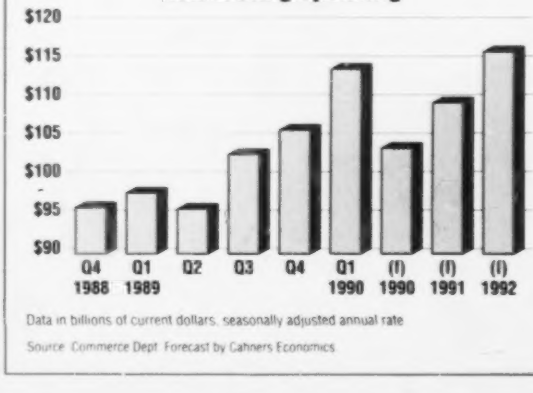


Broken line denotes forecast. Leading Indicator of Housing predicts short-term changes in residential construction over approximately the next quarter. Latest figure is based on November data and includes the Standard and Poor's h-b stock index, 90 day T-bills, bank reserves, consumer confidence index and the ratio of homes for sale to those sold. Prepared exclusively for PB&R by Cahners Economics.

Regional Market Conditions
(Year-to-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Hartford	-23.8%	$107,396	-18.6%	+0.1%
Pittsburgh	+10.1%	$105,050	+26.0%	+2.2%
Charlotte	+10.9%	$80,190	+16.6%	+3.5%
Nashville	-6.1%	$75,456	-5.7%	+0.3%
New Orleans	-5.8%	$65,387	+33.5%	+0.1%
Columbus	+13.1%	$99,361	+47.0%	+3.7%
Kansas City	+5.6%	$96,664	-15.3%	+3.0%
Phoenix	+1.2%	$104,631	-1.8%	+3.2%
Seattle	+5.0%	$113,733	+25.3%	+4.1%

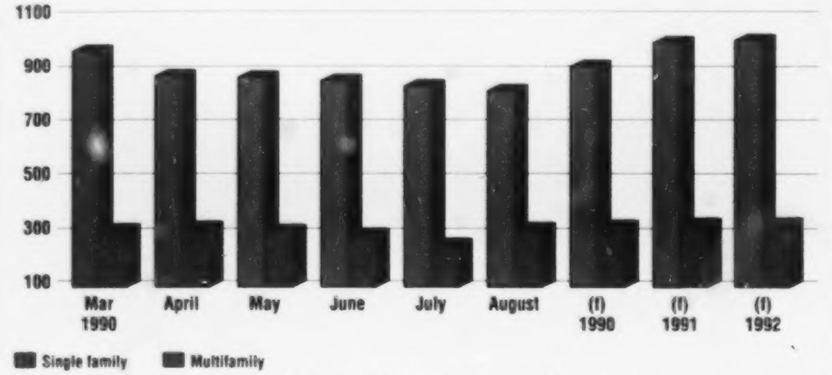
Remodeling Spending



Data in billions of current dollars, seasonally adjusted annual rate

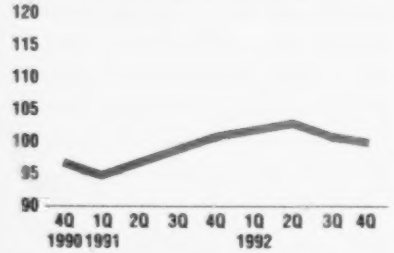
Source: Commerce Dept. Forecast by Cahners Economics

Housing Starts



Data in thousands of units, seasonally adjusted annual rate. Source: Commerce Dept. Forecast by Cahners Economics.

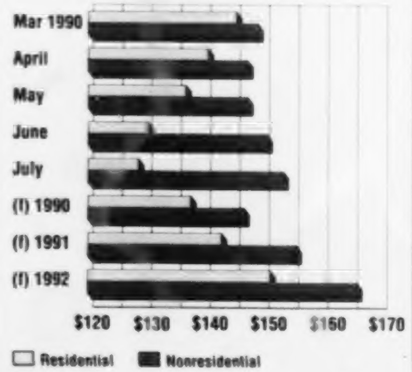
PB&R Market Forecast Of Building Activity



1987 = 100. Market forecast is a weighted average of residential, remodeling, and light, nonresidential construction spending.

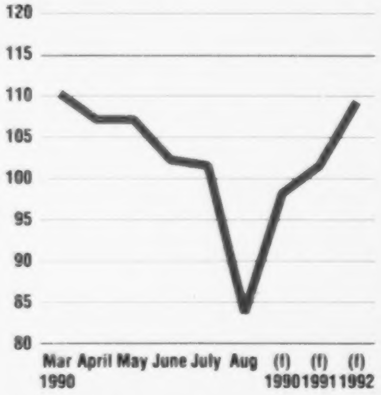
Source: Commerce Dept. Forecast by Cahners Econonmics.

Residential vs. Nonresidential Spending



Data in billions of current dollars, seasonally adjusted annual rate. Source: Commerce Dept. Forecast by Cahners Economics.

Consumer Confidence Index



1985 = 100. Source: University of Michigan. Forecast by Cahners Economics.

Key Trends At A Glance

	Aug 1990	Nov 1989
Housing starts (SAAR)	1,127,000	1,347,000
New home sales (SAAR)	548,000	687,000
Median new home price	$120,200	$125,000
Fixed-rate mortgages	10.27%	9.77%
Remodeling permit trend	+3.7%	+5.6%
Construction wage trend	+1.7%	+3.2%
Consumer confidence (1985=100)	83.8	115.1

Remodeling Outpaces New Construction

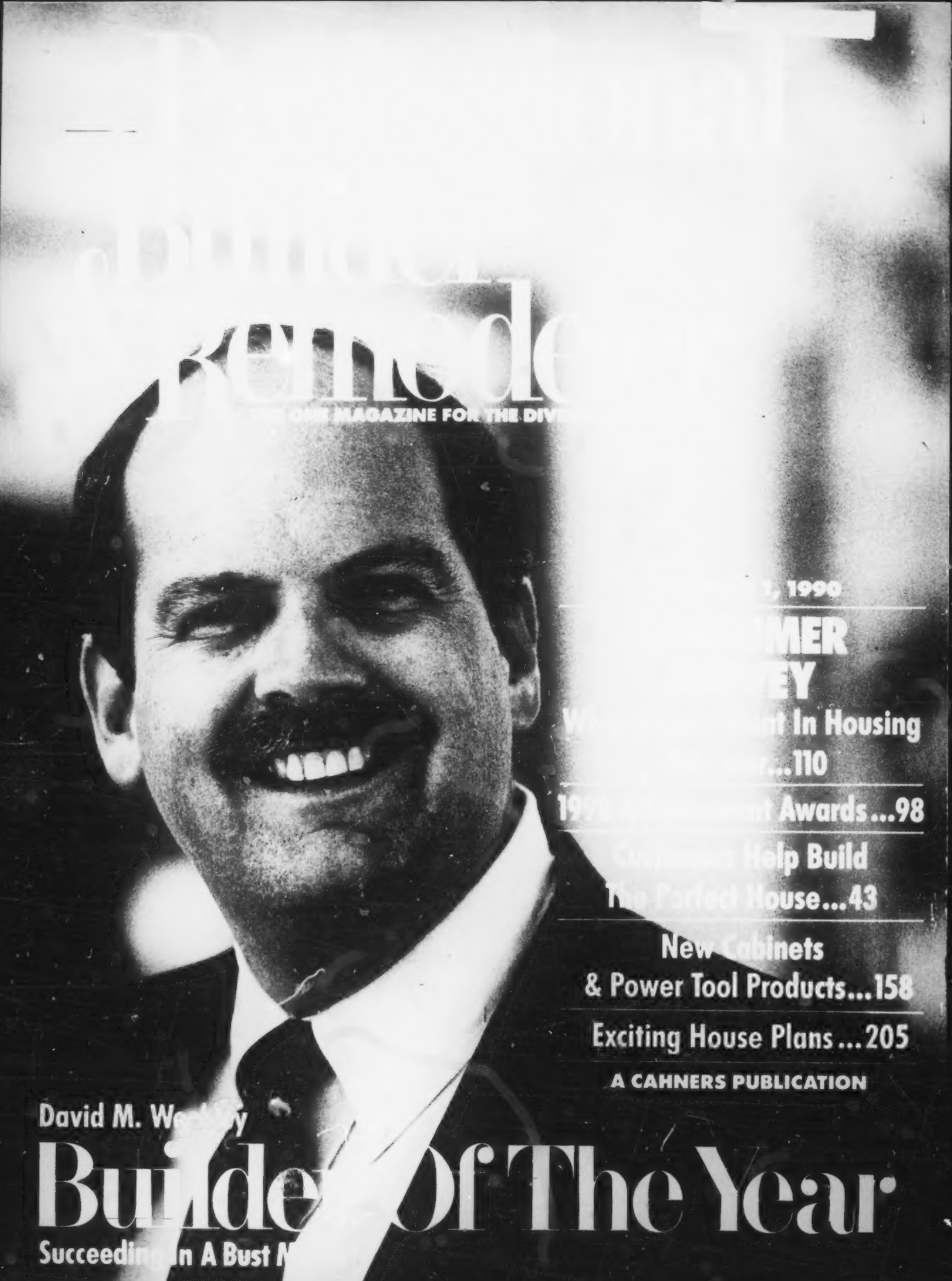
Through the first eight months of 1990, permit values for residential remodeling projects have continued to show growth over the same period of a year ago. Cumulative values for permitted residential addition, alteration and conversion work through August 1990 are 2.6% above the eight-month total for 1989.

Although growth has slowed this year throughout almost all new construction markets, remodeling and reconstruction work has held up comparatively well. Permit values for nonresidential reconstruction work are running 1.1% above the year-ago pace through the first two-thirds of 1990.

Median, Average Home Prices Stabilizing

The August 1990 inventory of new homes on the market totals 7.7 months supply at the current sales rate. Even with the severe contraction in new residential construction during the past year, the current inventory is 1.4 months larger than just twelve months ago.

During August 1990, the median price of new homes sold was $120,200—virtually unchanged from the median price of all single-family new homes sold during 1989, and more than 2% below the price of homes sold during August 1989.



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A CAHNERS PUBLICATION

David M. W y

Builde Of The Year

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Professional Builder & Remodeler

THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER

Professional Builder & Remodeler
Builder Of The Year

On The Cover

■ David Weekley did not simply survive the Texas crash of the 1980s, he prospered. This year, his company is headed toward the $220 million sales mark. Story begins on page 92.

What new home buyers want in housing: p. 110.

FEATURES

The Builder Of The Year 92

Each year since 1966, PB&R *has honored outstanding achievement and innovation in home building. This year, the preeminent award of the American housing industry goes to Texan David M. Weekley.*

1990 Professional Achievement Awards 98

This year, we recognize seven individuals for their success and contributions to the industry in the fields of affordable housing, technology, design and more.

Let America Build: Liability Reform 106

The increased liability threat has a low profile in the housing affordability crisis, but in some areas of the country, it can add as much as $3000 to the cost of a new home.

17th Annual Consumer Survey 110

This special 18-page report, run in conjunction with highly respected National Family Opinion Inc., highlights the results of our exclusive survey of potential homeowners and their design, marketing and product preferences.

Careful market surveys pay off: p. 43.

DECEMBER 1, 1990

New cabinet lines: p. 158.

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Business

■ As overseas investors eye worldwide economic changes, foreign investment levels are cooling, and shared equity deals are likely to supplant direct ownership: *p. 12.*

Markets

■ The Inverness apartment project rented out entirely in two months, taking a waiting market in Houston by storm: *p. 23.*

Management

■ Changing demographics indicate a shortage of labor for the construction industry during the 1990s. Some industry groups are trying to forestall a crisis: *p. 28.*

Marketing

■ Using *PB&R*'s annual consumer survey as a guide, builder Marquette Properties developed its own market research before heading into a new arena: *p. 43.*

Technology

■ There's some prospect for reform of product liability laws, although there remain plenty of disincentives for developing new materials: *p. 155.*

Next Issue

■ The NAHB Show is the spotlight of the January 1, 1991 issue of *PB&R*, which will feature a tour of top projects in Atlanta, the Best In American Living Awards, and a roundup of new products entering the market.

■ MONEY

1991 Looks Like A Classic Downturn & Recovery Year

By Allan G. Bortel,
Chartered Financial
Analyst, Vice President,
Sutro & Co.

Most people would say that great uncertainty currently abounds in financial markets and in the economy. However, in the 25 years that I have spent on Wall Street, the current economic period, as well as the stock and bond markets have never looked more predictable.

The jump in energy prices and the Kuwait invasion actually make an economic downturn at this time more certain.

Stock and bond markets are reflecting higher inflation and economic uncertainty. Unemployment is rising as businesses are laying off workers in one industry after another. The Federal Reserve Board has not shown any sign of easing credit because the belief is that it is not warranted, given the low value of the dollar abroad. The notion is that foreigners would not deposit funds in our low-yielding deposits and securities if we lowered rates.

> The current economic period, as well as the stock and bond markets have never looked more predictable.

However, it is hard to envision stimulating any greater net outflows of capital if rates are lowered. The dollar is already attractive where it really counts—in the product markets themselves. That is to say that U.S. goods, from agriculture to manufacturing and services, are already very attractive to the rest of the world, given the value of the dollar relative to foreign currencies.

Sticking our neck out in forecasting 1991 in the financial markets at this time of year is our job. As such, it is our belief that these markets ought to be putting in a good performance during the coming year, partly based on an easing by the Fed. Both the stock and bond markets ought to begin to reflect investors' expectations that economic activity will bottom out and begin to turn, certainly in time for the Fall 1992 elections.

Housing ought to follow its usual pattern of increased activity as interest rates go down. Both existing and new construction markets ought to turn around when enough people believe they won't lose their jobs and as interest rates decline to the single-digit level for a fixed rate, 30-year loan. Potential home buyers with relatively stable jobs in industries such as government, food and health services, ought to be the first ones to step up as home buyers.

The mortgage market will respond to lower rates in the bond market because of the influence of mortgage backed securities and investors who stitch between long-term bonds and mortgage paper.

In fact, the U.S. bond market is not the dominant factor determining mortgage rates, because bond rates are a function of what is going on in the world economy.

Rise In Housing Costs Slow As Year Winds Down

The steady upward spiral of the net cost of housing in the United States has slowed considerably during 1990, according to projections from Chicago Title & Trust Co.

John Pfister, CT&T vice president for market research, says that costs will rise a modest 2.5%. This compares with annual jumps of 4.7% in 1987, 10.3% in 1988 and 5.8% last year.

Pfister points out that while net housing costs will rise in most major metropolitan markets, the rate of increase has slowed considerably. In the Northeast, housing prices have remained stagnant and have begun to drop in some areas.

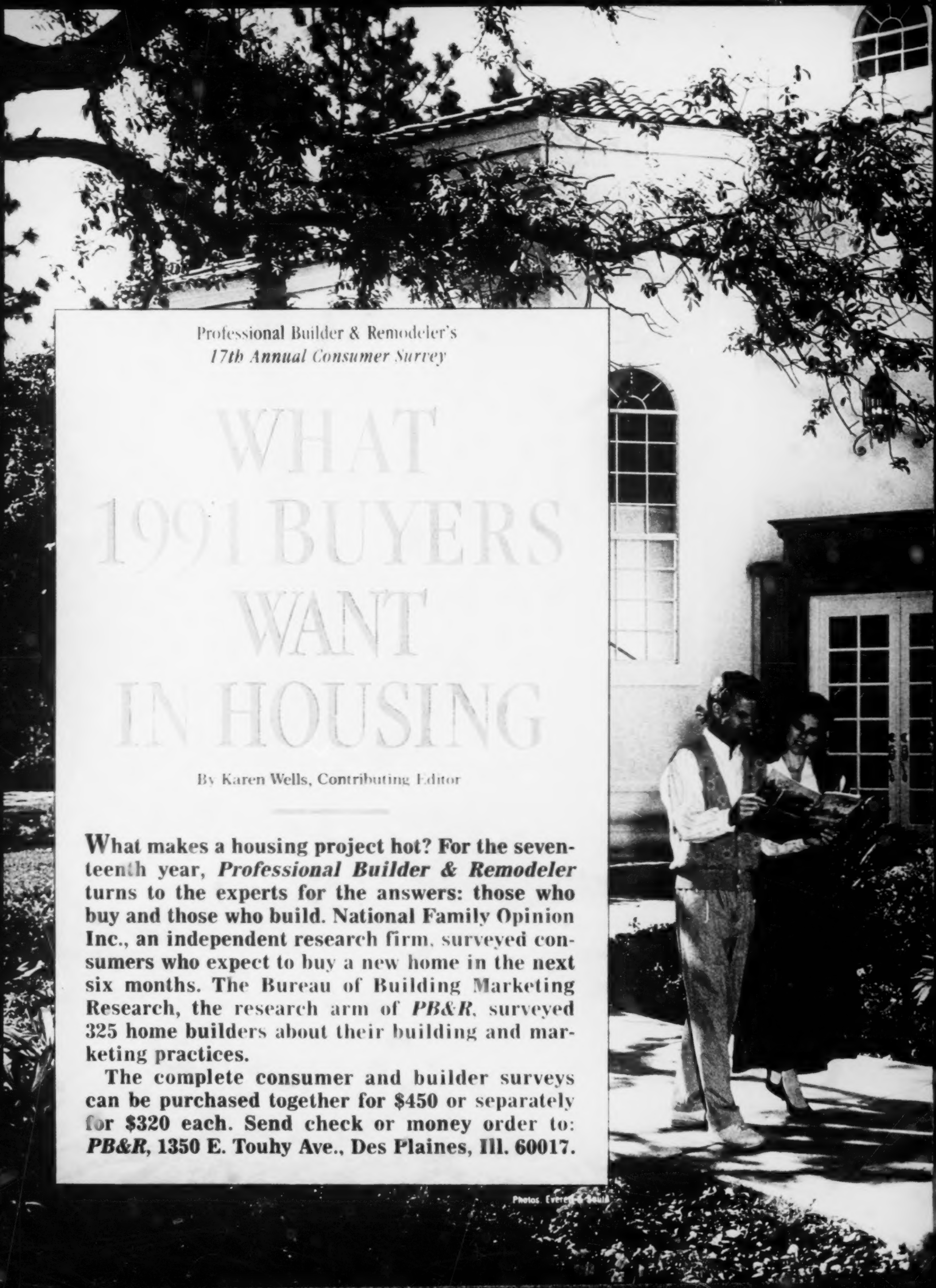
Net Housing Costs
(*Estimated data)

	1988	1989	1990*
U.S.	+10.3%	+5.8%	+2.5%
Baltimore	+15.1%	+10.0%	+3.5%
Chicago	+10.2%	+9.5%	+3.5%
L.A.	+15.8%	+22.1%	+7.5%
Miami	+6.2%	+5.7%	+1.8%

Sources: Chicago Title Insurance Co., National Association of Realtors, Federal Home Loan Bank Board.

Pfister says the report also reveals a common misconception among home buyers that lower interest rates automatically mean lower housing costs. He points out that when interest rates drop, housing costs rise.

Shown here are projections nationally as well as in four selected markets—one in each region of the country. □



Professional Builder & Remodeler's
17th Annual Consumer Survey

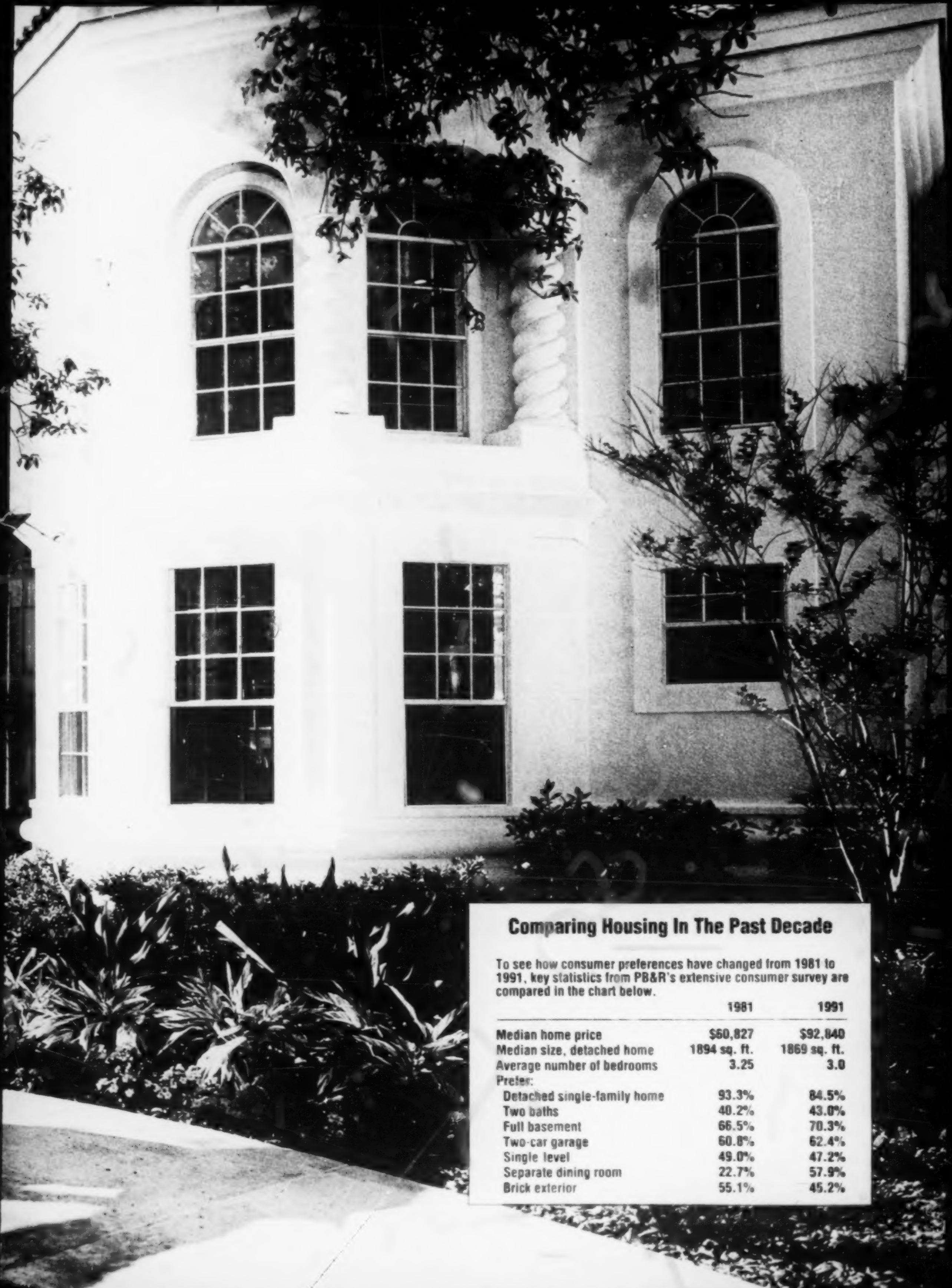
WHAT 1991 BUYERS WANT IN HOUSING

By Karen Wells, Contributing Editor

What makes a housing project hot? For the seventeenth year, *Professional Builder & Remodeler* turns to the experts for the answers: those who buy and those who build. National Family Opinion Inc., an independent research firm, surveyed consumers who expect to buy a new home in the next six months. The Bureau of Building Marketing Research, the research arm of *PB&R*, surveyed 325 home builders about their building and marketing practices.

The complete consumer and builder surveys can be purchased together for $450 or separately for $320 each. Send check or money order to: *PB&R*, 1350 E. Touhy Ave., Des Plaines, Ill. 60017.

Photos: Everett & Soule



MONEY & MOTIVATION

Seventy-eight percent of all consumers want the government to help first-time buyers achieve the dream of home ownership.

Motivating home buyers is both an art and a science. It has always been a challenge to determine what home buyers want and why they want it, and then be able to devise a product that will fit the parameters of what they can afford.

To be successful today, a builder needs to go beyond simply determining *what* buyers are looking for in a home as far as residential design and products are concerned.

Builders need to fully comprehend *why* potential customers want to buy—for investment purposes? for family reasons? for prestige?—and to what extent they will strive to obtain a home that meets those needs.

For those homeowners who don't want to move, builders have a golden opportunity to improve existing homes. To tap into the burgeoning remodeling market, builders not only need to fully understanding the reasons why homeowners want to stay put, but how that decision affects their lifestyle and the design choices they'll make for their homes.

As the detailed charts indicate on the following pages, the question of affordability plays a key role in motivating home buyers. The single largest obstacle in purchasing a home continues to be the high price tag.

How much can buyers afford? Their expectations of what a new home will cost has increased substantially in the past 10 years, but it is still not enough to meet the reality of what they'll confront in the marketplace. Buyers now expect to pay an average of $125,427, up an average of $4000 from last year. In 1981, they expected to pay an average of $75,920.

However, the fact that home prices vary significantly by geographic region notwithstanding, the average price of builders' best-selling models is now $193,633—displaying a significant price gap (roughly $70,000) from what buyers expect to pay in the new home market. □

Great Expectations

The size of house that buyers expect for their money doesn't always match up to what they'll find in the marketplace. The chart below compares what consumers expect in size to builders actual best-selling models by price range.

Less than $85,000	
Consumers expect:	1557 sq. ft.
Builders best model:	—
$85,000 to $99,999	
Consumers expect:	1815 sq. ft.
Builders best model:	1598 sq. ft.
$100,000 to $149,999	
Consumers expect:	2005 sq. ft.
Builders best model:	1973 sq. ft.
$150,000 to $199,999	
Consumers expect:	2316 sq. ft.
Builders best model:	2308 sq. ft.
$200,000 to $300,000	
Consumers expect:	2404 sq. ft.
Builders best model:	2699 sq. ft.
More than $300,000	
Consumers expect:	2887 sq. ft.
Builders best model:	—

First Aid For First Timers

Seventy-eight percent of buyers say that the government should provide some type of financial aid for first-time buyers. The most popular plans are those that minimize down payments and monthly payments.

Should the government aid first-time buyers?	All consumers
Yes, encourage plans with low down payments	21.5%
Yes, offer plans that keep monthly payments lower	21.3%
Yes, subsidize mortgage interest rates	14.2%
Yes, provide tax savings for down payment	12.2%
Yes, help builders provide more affordable housing	8.8%
No	22.0%

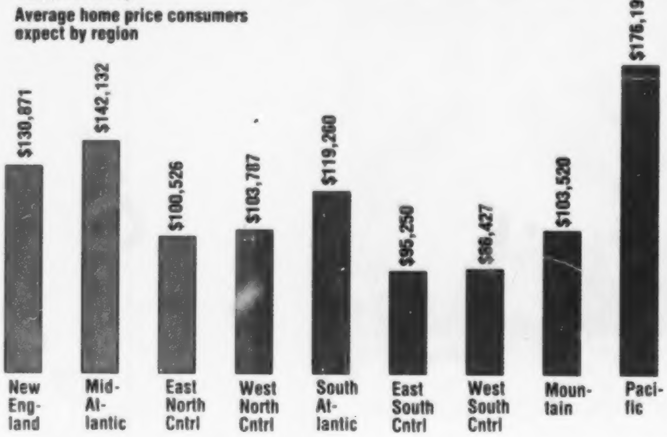
Financial Considerations Rate High

In selecting a home, consumers must weigh many considerations. But by and far, the price tag of the home and the ability to afford it outweigh all other considerations.

Factors in selecting a home	All consumers
Price/affordability	70.1%
Size	48.4%
Investment/appreciation	41.5%
Style and appearance	29.8%
Size of yard and lot	27.1%
Quality of schools	25.8%
Proximity to work	23.3%
Builder reputation	20.3%
Warranties	17.2%
Close to shopping	10.6%
Prestigious neighborhood	9.8%
Known brand names used	7.8%
Near public transportation	6.5%

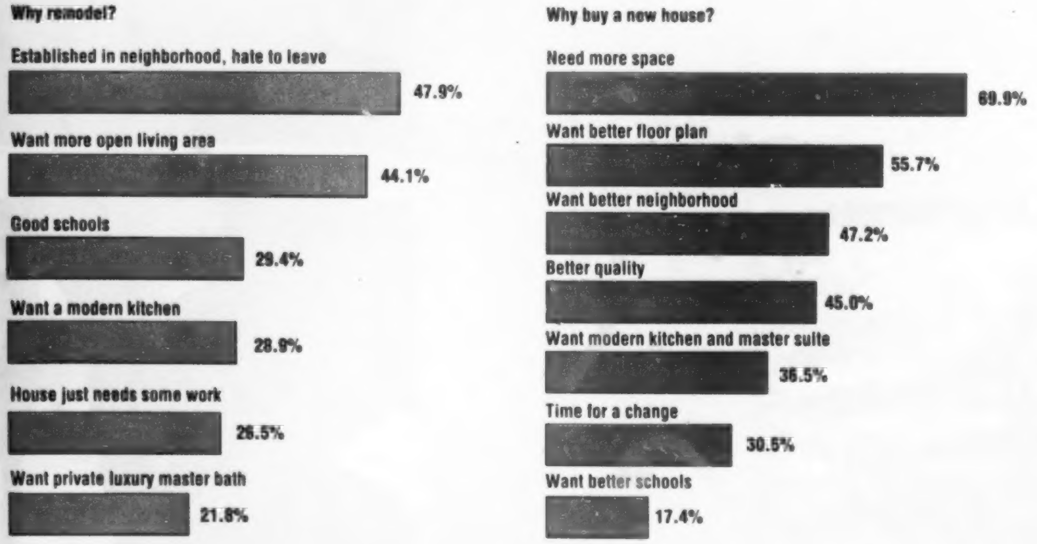
Price Ranges Vary Coast To Coast

How much consumers spend on housing is dependent largely on where they buy their homes. The average cost of a home varies greatly by region as shown below. Overall, more than half of buyers (56.6%) expect to spend less than $100,000 for the home they plan to buy.



Remodeling Provides Builder Opportunities

Consumers were asked what motivated them to improve their existing house or move up to a new home, if the cost was equal. Location is the prime factor in remodeling. The need for more space urges owners to look elsewhere.

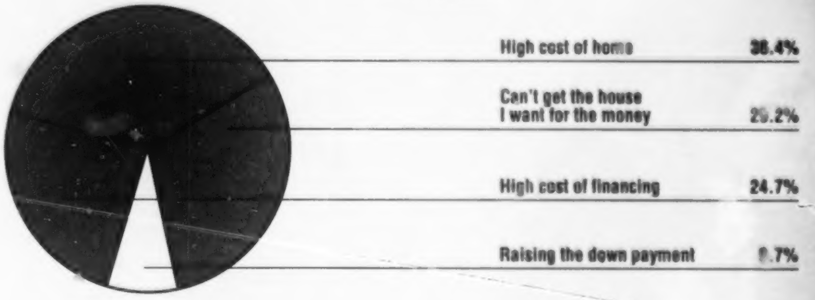


Fifty-three percent of detached builders focus new-home advertising on financing. The same percentage of attached builders focus on price.

Greatest Obstacles To Home Buyers

Affordability poses the biggest barrier to purchasing a new home for many buyers, from price tags to financing.

Obstacles to overcome



Buy A Home Now

Decreased mortgage interest rates and finding affordable monthly payments are the two most important factors consumer say would encourage them to buy a home now, among all buyer types, price ranges and regions.

Reasons to buy now	Consumers
Decrease in mortgage rates	61.1%
Affordable monthly payments	60.5%
Receiving an inheritance	33.7%
Less expensive housing available	33.0%
Guarantee on home quality	26.8%
Drastic change in lifestyle	24.6%
Tax reform	22.5%

A Matter Of Price

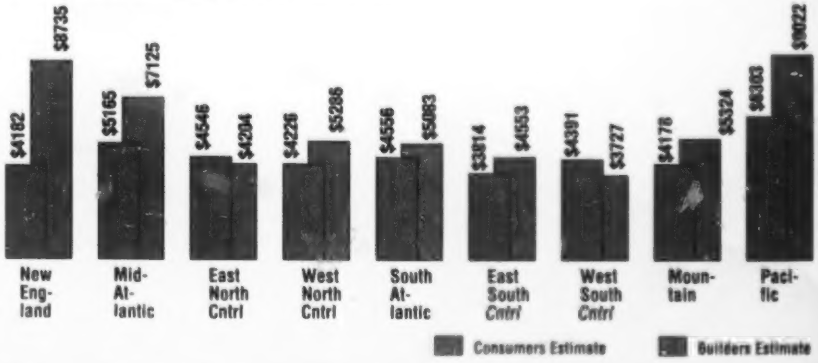
When consumers say it's time to buy, they care primarily about the cost of the house, not the down payment. To the majority of retirees and empty-nest buyers, price mattered most. However, the monthly payment is a serious concern to first timers and move-up buyers

Most important buying decisions	Consumers
Price of house	55.0%
Monthly payment	39.2%
Mortgage interest rate	16.4%
Other concerns	14.2%
Down payment	8.5%

High Cost Of Regulations

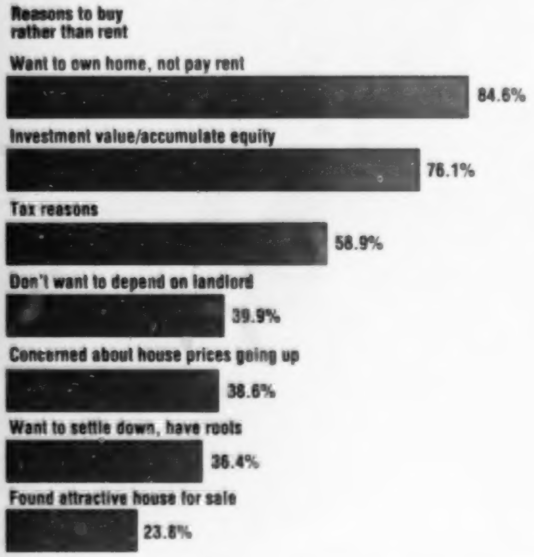
Both builders and buyers agree that building regulations greatly increase the cost of new homes, although consumers generally seem to underestimate just how much it costs. And the cost of regulations vary greatly from state to state.

Average cost of building regulations on new homes



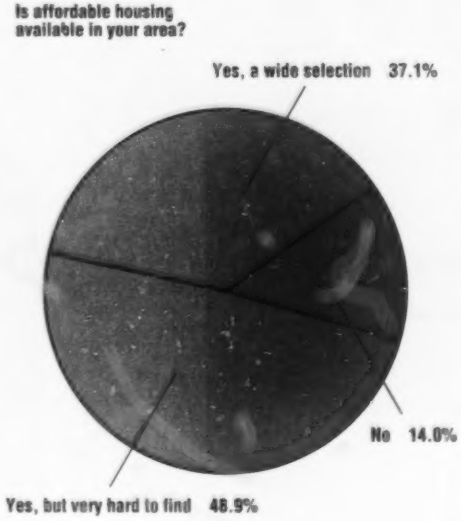
I'd Rather Buy Than Rent

Home ownership has many financial advantages that provide much motivation in jumping from paying rent to buying a home. The value of owning one's home and its inherent investment value are important angles in transforming renters into buyers.



Where Have All The Houses Gone?

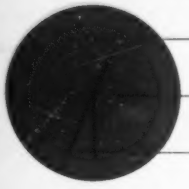
While many consumers are prospective home buyers or move ups, almost half report that affordable for-sale housing is hard to find in their location.



Warranties Provide Customer Assurance

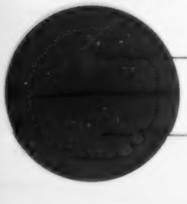
An insured warranty is an important consideration in the buying decision. More than half of all types of buyers would not even consider buying a home without such a document supporting builders' claims

How important is an insured warranty?



Very important	51.0%
Somewhat important	41.1%
Not important	7.9%

Would you consider buying a home without an insured warranty?



No	51.8%
Yes	48.2%

Buyers Want Bigger And Better

The desire for larger, more luxurious and efficient use of space activates many homeowners to move up in the housing market. The same reasons could motivate many to remodel.

What would make you consider moving?	All consumers
More space in house	66.0%
More volume spaces	35.4%
Master retreat	22.8%
Bigger garage	20.4%
Energy efficiency	18.6%
Modern kitchen	16.8%
Multiple use of space	14.7%
More open floor plan	14.7%
Romantic master bath	7.7%
Dramatic use of glass	3.5%

DESIGN

Good residential design is a marketing tool. *Great design*, however, is the element that really sells homes. Where is the fine line between the two?

Many answers appear on these and following pages. Truly understanding consumer preferences can make a critical difference in what you build and how you market those homes, potentially turning everything you produce into a best seller.

Becoming a master of design is a matter of mastering the fine art of making choices, not just in what looks appealing, but in how buyers live. What's more, it requires tailoring your housing product into a perfect fit for your market.

It's all a matter of options: Enlarge the home, eliminate wasted spaces, expand the amenities menu, open it up visually, make the living areas more intimate—jazz it up.

In general, consumers say they want a detached home with more informal living space, lots of storage and excitement. When asked what they disliked about their present home, a "lack of excitement" was the complaint that was mentioned most often.

Many builders are already addressing the design challenges of the 1990s. For example, about 70% of builders we surveyed this year reported using improved interior space planning as a special design and marketing technique.

Of course, preferences in design are affected significantly by the buyer type and the geographic region a builder is operating in. The complete consumer survey, available for purchase, includes detailed statistical breakdowns by buyer age, region, income, price range and buyer type (in other words, first timers, move ups, empty nesters and retirees).

Your housing product must be adapted to the changing demands and desires of your target market in your location—and, of course, changing competition. □

Attached housing is becoming more acceptable to buyers of the '90s. In 1981, 93.3% of buyers wanted detached homes. In 1991, only 84.5% prefer it.

Space Planning

If buyers could enlarge any three areas in the house, they would select the kitchen, family areas and storage. These areas were consistently selected among all buyer types from first-timers to retirees.

Areas consumers would enlarge	All consumers
Living areas	
Family room	42.5%
Living room	26.2%
Dining room	10.9%
Bonus room	8.3%
Kitchen	
Meal preparation area	49.9%
Eating area	28.1%
Master suite	
Closet	39.6%
Bathing area	20.0%
Sleeping space	14.3%
Sitting room	10.7%
Other	
Office/hobby room	22.6%
Secondary bedrooms	16.8%
Secondary bathrooms	6.5%

Houses Change To Meet Buyers' Demands

In examining how their best-selling model homes have changed in the past few years, builders report an increase in size particularly in the kitchen, master suite and master bath.

Size increasing	Builders
Master bath	68.7%
Master suite	62.7%
Kitchen	54.7%
Total house	48.1%
Size decreasing	
Formal living room	42.4%
Staying the same	
Dining room	55.6%
Family room	50.3%

Lifestyle Appeals To Attached Buyers

In the past decade, buyers choose attached homes or condominiums for the same reasons. The two biggest drawing cards, buyers of attached homes say, are less home maintenance and available recreational facilities.

Reasons for choosing attached	Consumers
Less home maintenance	58.3%
Recreational features	33.6%
Best way to buy first home	23.1%
Sense of neighborhood	23.1%
More house for the money	20.8%
Desired location	17.6%
Affordability	17.3%
Increased prestige	4.9%
Cluster lifestyle	2.3%

Design Features Make Attached Attractive

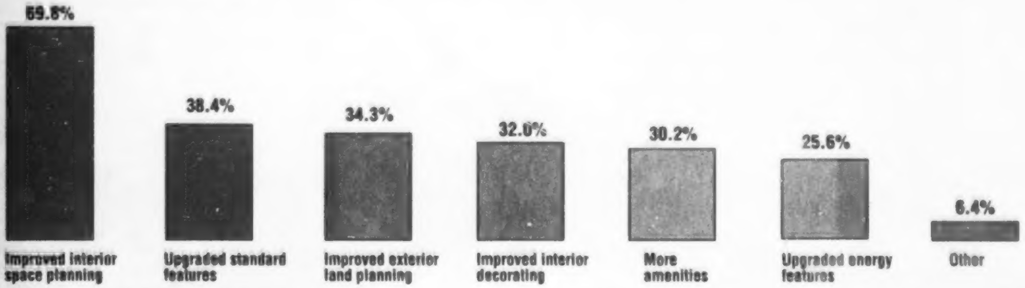
In wooing detached buyers to an attached market, builders must cater to specific features that make attached homes more acceptable and attractive. The two most requested features focus on privacy.

Features that make attached more acceptable	Consumers
Privacy at rear of unit	31.6%
Sound control to exclude noise	26.0%
Sense of neighborhood	23.3%
Energy-saving features	23.0%
Situated in planned community	17.2%
Maintenance included in price	15.1%
Recreational facilities	13.0%
Units side-by-side	10.4%
Common open space	10.1%
Proven security system	9.5%

Design Strategies Lure Buyers

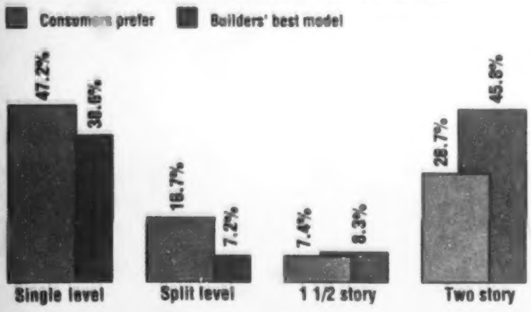
In an effort to maintain marketing appeal where the size of the house or lot has decreased, many builders report using innovative design features to add excitement and livability.

Special design techniques used



Single Level Or More?

Since 1975, consumers surveyed have indicated that they prefer single-level homes. But builders say that two-story homes are their most popular detached models. Geographically, two-story homes are more popular in New England, mid-Atlantic and South Atlantic regions.



Back Up Your Energy And Quality Claims

When it comes to energy features and the overall quality of construction, buyers want builders to back up their claims with a written guarantee or warranty.

How consumers determine credibility:	Energy	Quality
Ask for guarantee/warranty	65.6%	69.0%
Visual inspection	58.1%	76.9%
Ask for literature	53.3%	38.8%
Look for brand names	44.8%	31.8%
Ask others who bought from builder	40.9%	57.3%
Comparison to other homes	37.9%	54.9%
Get independent evaluation	37.9%	54.9%
Take builder's word for it	14.8%	14.0%
Not concerned	2.9%	1.8%

Storage is an important design element. A walk-in closet in the master suite is preferred by 84% of 1991 buyers, up from 65% in 1981.

Homes Average Three Bedrooms

While both detached and attached homes average three bedrooms, more than 80% of attached buyers want two or three bedrooms and detached buyers want three or four bedrooms, as indicated below.

Preferred number of bedrooms in home	Detached buyers	Attached buyers
One bedroom	—	1.6%
Two bedrooms	11.2%	47.6%
Three bedrooms	53.5%	41.9%
Four bedrooms	31.1%	5.6%
Five or more bedrooms	4.2%	3.3%

Multiple Uses For Extra Bedrooms

Extra bedrooms don't just lie empty. Buyers report a myriad of uses. Many of the rooms serve multiple purposes. Builders should take advantage by marketing these secondary bedrooms as functional specialty spaces.

What you would use extra bedrooms for	Consumers
Guest bedroom	62.2%
Den/library/office	58.1%
Hobby/sewing room	27.5%
Computer room	13.6%
Exercise room	11.9%
Storage	7.5%
Master bedroom retreat	3.5%
Other	2.5%

The Bathroom Is A Marketing Space

Consumers are particular when it comes to having enough bathrooms. Most buyers prefer having at least two—and the statistics haven't changed at all in the past decade. Of course, the higher the home price range, the more bathrooms preferred.

Number of bathrooms preferred in the home	Detached buyers	Attached buyers
One bathroom	3.5%	7.3%
One-and-a-half bathrooms	15.3%	21.8%
Two bathrooms	42.2%	47.6%
Two-and-a-half bathrooms	28.6%	16.1%
Three or more	10.4%	7.2%

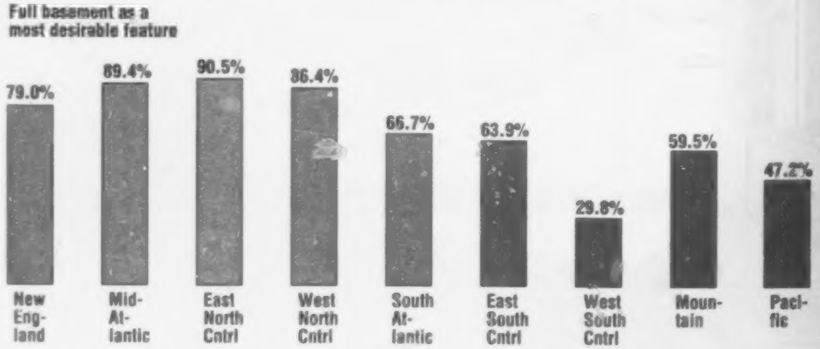
Give It Marketing Appeal

The master suite has become a luxury retreat, including a private bath with design excitement and plenty of room for pampering. The master bath is an integral part of the suite and a great way to merchandise homes.

Most important elements of the master bedroom	Consumers
Walk-in closet	84.3%
Private bath	79.5%
Separation from other bedrooms	61.3%
Dressing and make-up area	35.6%
Sitting area	18.9%
Balcony or patio	18.5%
Fireplace	11.9%
None	3.7%

Basement Preferences Vary By Region

While the full basement is a necessity in some regions, it is only a luxury in others. Overall, 78.4% of buyers of detached homes prefer a full basement. Geographic preferences among consumers are shown.



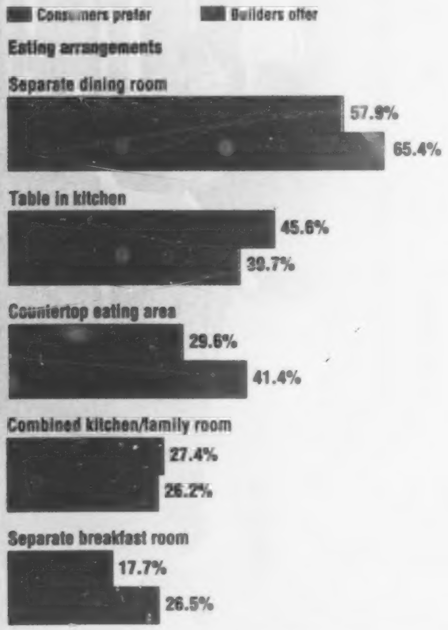
Traditional Architecture Is Still A Favorite

Traditional styling continues to be preferred by consumers overall. Colonial styling has a strong pull in New England and mid-Atlantic regions. Contemporary has a slight edge over traditional among consumers in the Mountain and Pacific states.

Architectural style	Consumers prefer	Builders best model
Traditional	37.4%	57.8%
Contemporary	27.7%	16.9%
Colonial	14.4%	16.0%
Victorian	8.3%	1.9%
Other	7.6%	3.2%
Spanish	4.6%	4.2%

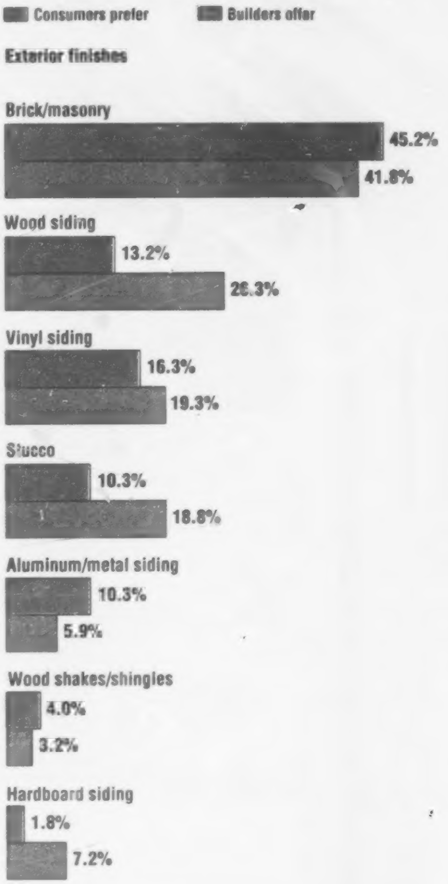
Dining Elegance And Convenience

Most consumers in both detached and attached homes prefer having a separate dining room in addition to a variety of informal eating arrangements. Having room in the kitchen for a table and chairs is strongly preferred by consumers.



Brick Exteriors Still Preferred

Overall, a brick exterior is the preferred exterior finish for both detached and attached homes. Only two regions differ in taste: wood siding is preferred in New England, stucco in Pacific states.



Most Buyers Want Two-Car Garage

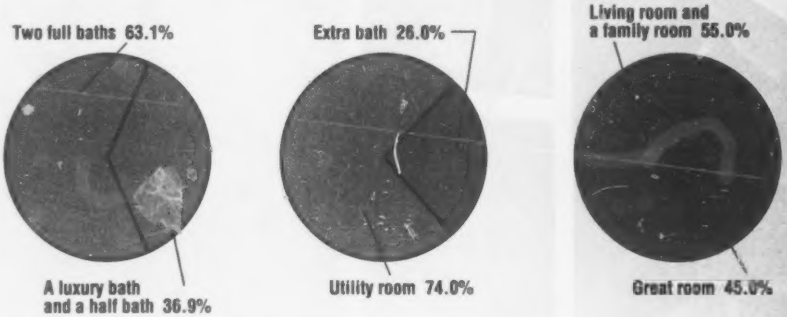
Among buyers of both attached and detached homes in every region, a two-car garage is a clear favorite. In homes more than $300,000, 45.7% of buyers expect at least a three-car garage.

Preferred garage facilities	Detached buyers	Attached buyers
One-car garage	9.3%	18.9%
One-and-a-half-car garage	5.3%	9.8%
Two-car garage	66.2%	41.0%
Three-or-more-car garage	12.4%	4.9%
Carport	4.0%	9.8%

Nearly 80% of buyers of homes exceeding $200,000 in price expect a separate dining room as standard.

Trade-Offs Show Buyer Preferences

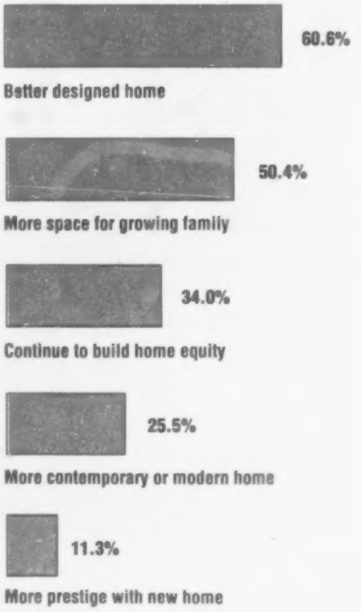
When limited by square footage, buyers must make a choice of what rooms or spaces are more important to their lifestyle and functions as a family. Consumers were asked which room they would prefer in each pair, if they had to choose. Preferences were consistent among all buyer types with the exception of empty nesters showing preference for a great room.



What Move-Ups Want In A New House

Across the board, move-up buyers are motivated to purchase a new home by their desire for a better designed home and more space for their growing family.

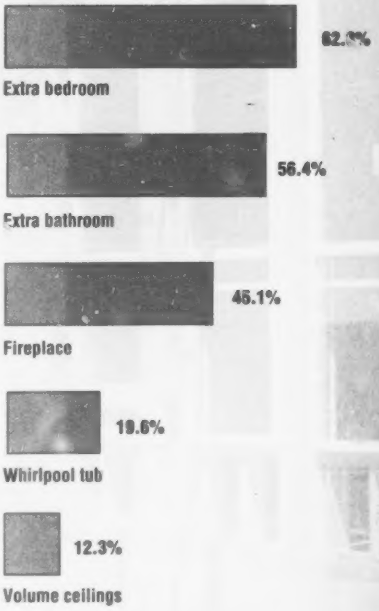
Move-up buyer motivations



More Space Is A Big Plus

When asked which extra features home buyers prefer, consumers indicate that extra space is more important than amenities, among all buyer types and among detached and attached buyers.

Extra features consumers prefer



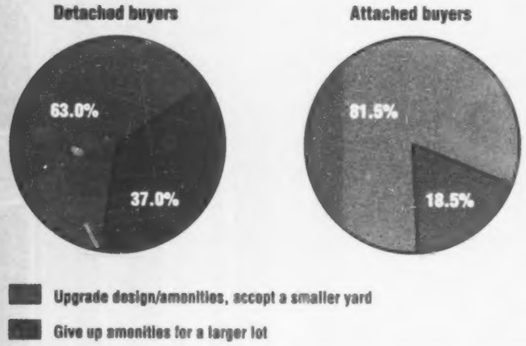
Room To Roam

Lot size is an important consideration to home buyers. More than half of builders provide a lot with a half-acre or more for the detached homes they sell. Preferred lots for attached homes include a private patio or just common open space.

Lot size with builders' best-selling model	Detached homes	Attached homes
Half-acre or more	50.5%	4.5%
Narrow front, deep rear yard	33.9%	9.1%
Minimum yard with private court	10.4%	40.9%
Common open space, no private yard	1.1%	45.5%
Narrow frontage, deep front yard	4.1%	—

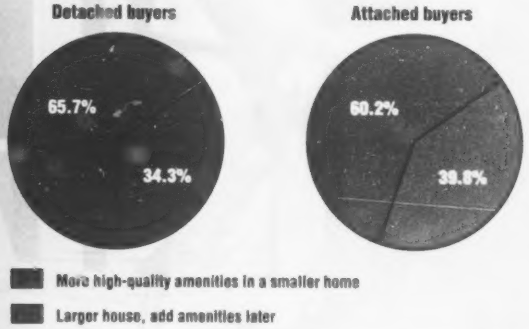
Buyers Elect Amenities Over Land

If home buyers had to choose between the size of their yard and upgraded amenities, the majority of detached and attached home buyers prefer to have the amenities and a smaller yard.



Buyers Disagree On Size Vs. Amenities

When it comes to a choice between the size of the home and amenities, detachedand attached buyers disagree, as shown in the charts below. Among buyer types, first-time buyers and move-up buyers prefer the larger home, while empty nesters and retirees want high-quality amenities in a smaller home.



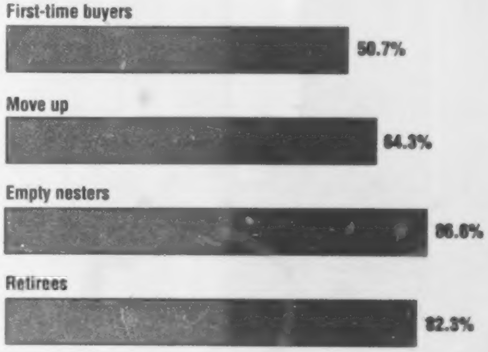
Most Desirable Design Elements

Buyers indicated which of the following design elements were most desirable in a new home, given the price range and size range in which they were looking. Storage ranks number one.

Design elements	Consumers prefer	Builders offer std.
Linen closet	85.4%	—
Garage storage space	78.3%	13.7%
Pantry	71.7%	—
Patio	71.2%	63.7%
Two closets in master suite	69.6%	—
Porch	68.3%	56.1%
Family entertainment space	68.2%	—
Covered entries	64.2%	56.1%
Multipurpose rooms	60.3%	—
Larger master bath	47.[illegible]%	—
Home office space/hobby room	45.0%	26.3%
Raised, flat ceilings	40.5%	41.3%
Built-in furniture	37.5%	13.7%
Cathedral or vaulted ceilings	37.4%	64.8%
Formal entertaining space	35.8%	—
Home entertainment center	33.9%	10.3%
Sun room	32.7%	9.8%
Full-time home office	32.5%	—
Dramatic window treatments	25.5%	28.8%
Interior plant shelves	24.6%	—
In-law suite	23.0%	—
Garden bathroom	20.5%	7.5%
Interior lofts and balconies	20.0%	19.6%
Home fitness center	17.6%	1.7%

First-Floor Master Suite Is Tops

Among all buyer types, as indicated below, most consumers prefer having the master suite located on the first floor. The desire for a first-floor master suite generally goes up as the age of the homeowner increases.



PRESENTATION

Sixty percent of builders of attached housing use model homes—however, only 38% of detached builders use them.

If you are building and marketing homes the way you did five or 10 years ago, your business may be merely surviving when it could be thriving.

Today's exceedingly tough markets require more than building and marketing by the seat-of-your-pants and hoping for the best. To maximize market impact and the bottom line, builders need careful planning and management in every facet of their operation. Every employee should have his or her eye on a common goal: to transform the American dream of home ownership into a contract.

The key to an effective presentation or marketing strategy is to approach it in a professional manner. Don't just focus on your company's strengths—eliminate your weaknesses. Spend your marketing money and place your employees' efforts where they will count most.

For example, an expensive sales center is a total waste of money if the sales staffers inside are turning off buyers. But according to our survey, that's just what is happening in far too many new home developments these days.

Here is some alarming data: Among those consumers who visited a new model home in the past six months, an astonishing two-thirds of these prospects were totally turned-off by the selling techniques used there, while more than half were turned-off by the attitude or approach of the sales staff.

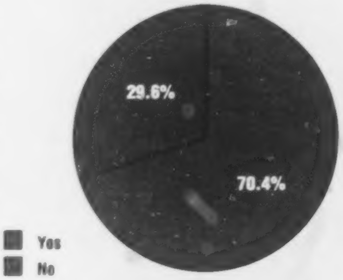
But don't just examine your own marketing techniques, beware of the competition. Are the interiors of your homes generally furnished? More than 80% of builders in New England say no, but the same percentage in the South Atlantic region and Pacific Coast wouldn't try selling without furnished models. And more than 80% of all builders say that their best-selling models were fully landscaped.

Any fine chef will tell you: it's not just what is served, it's how it is presented. □

Importance Of Interior Decorating

Most builders furnish the interiors of their model homes to help influence a consumer's decision to buy. Builders indicate that these models are furnished and decorated for an average of $21,696 per home.

Do you furnish your model home?



Landscaping Increases Curb Appeal

Builders recognize the importance of curb appeal in selling model homes. Most fully landscape their homes as a marketing tool, spending an average of $6837 per home, slightly more for detached homes. Many builders also add exterior options.

Exterior finishing	Builders' best models
Fully landscaped	82.1%
Optional patios/decks installed	36.4%
Fencing installed	21.4%
Optional pools/fountains	9.3%
Lawn only	8.6%
No exterior work finished	5.7%

Make A Great First Impression

First impressions are lasting ones. Consumers who have visited a new model house in the past six months indicate that an open floor plan and the kitchen are the two key elements that affect their impression of the entire house.

What affects your impression of the entire house?	All consumers
Open floor plan	37.9%
Kitchen	34.0%
Master bedroom	10.5%
Living room	6.7%
Family room	6.5%
Entry	5.2%
Master bath	2.9%
Volume ceilings	2.3%
Other	6.7%

What Sells A Model Home?

Model home presentations should be focused on turning consumers into buyers. The following list indicates which marketing tools encourage buyers and which turn off buyers. Shown are elements that more than half of buyers liked or disliked in the model presentation.

Turned on buyers	
Condition of the model	82.7%
Size of home	80.1%
Model decorating	70.1%
Workmanship of the home	66.9%
Condition of sales office	55.0%

Turned off buyers	
Selling tactics	65.3%
Attitude/approach of sales staff	57.2%
Cost of home	55.4%

Information Sources Are Vital Links

In searching for a new home, consumers depend most heavily on real estate brokers and newspapers or classified advertising. Another significant element is word-of-mouth from friends.

Information sources for new homes	All consumers
Real estate broker	63.5%
Newspaper or classified ads	57.3%
Advice from friends	29.6%
Billboards/for-sale signs	21.5%
Parade of homes	15.1%
Direct mail from builders	5.8%
Cable TV	1.9%
TV ads	1.5%
Radio ads	0.4%

Sales Staff: Friends or Foes?

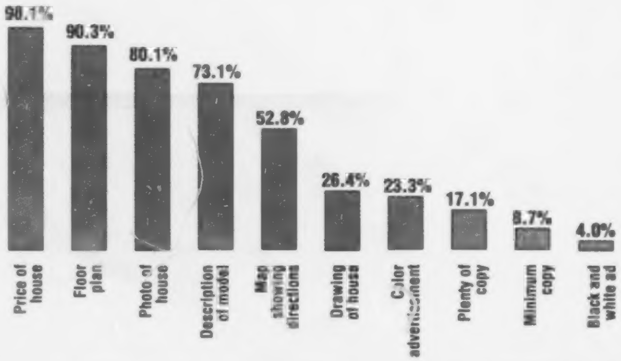
As indicated in the chart at left, many buyers are turned off by the selling tactics, attitude or approach of the sales staff at model homes. How good does your staff rate? The consumer answers below may help revitalize your sales presentations.

Did the sales staff:	Most	Some	Few
• Present the basic advantages of the home and the community?	48.0%	40.2%	11.8%
• Point out hidden values of the home?	40.5%	40.3%	19.2%
• Point out benefits that the competition doesn't offer without demeaning them?	21.4%	45.5%	33.1%
• Treat me like a person, with professionalism and honesty?	39.8%	42.5%	17.7%
• Use too much pressure, too pushy?	17.7%	46.6%	35.7%
• Were not interested in me as a customer?	15.6%	42.1%	42.3%
• Were not knowledgeable about the homes?	10.4%	45.8%	43.8%
• Not make me feel welcome, ignored me?	6.6%	35.3%	58.1%

Advertisements Should Market Homes

Consumers who have visited a new model house in the past six months indicated the top elements in real estate advertisements that they consider important. How do your ads stack up?

Important elements of real estate ads



PRODUCTS

Two-thirds of all consumers definitely want or would like to have rounded corners on countertops to help prevent childhood injuries.

The products you select for the homes you build and sell are as important in the buying decision as the design of your homes and the marketing techniques you use. Very simply, products help sell homes by increasing the perceived value of the property in the eyes of the potential buyer.

A home with quality products and the products that consumers want is worth more to a prospective buyer. Getting that kind of message out to the public is what helps spell "sold."

Product selection, though, has become more complicated. Luxury items are no longer limited to the high-end custom home segment—many are deemed "necessary." What may have been considered an option industry-wide just a few years ago, buyers now expect as a standard feature.

For example, 10 years ago, 22% of buyers expected that a microwave oven would be included as a standard feature in kitchens. Today, 40% expect to see it as standard.

Products that offer convenience and easy maintenance are not just desirable—they are demanded. Here's a particularly telling statistic: In 1981, 52.8% of buyers said they would spend at least an additional $1000 at construction time to cut down on maintenance costs. Today, more than 80% would do the same.

New product features can give your homes a marketing edge. Child-safe features, such as the ones listed on these pages, are preferred not just by young couples with children, but by older couples with grandchildren.

And as the environment becomes the issue of the 1990s, builders must become more sensitive to "healthy home" features. While many builders have neglected this area of building in the past, more than half of buyers say that environmental factors are very important when purchasing a new home. Standard items or options will continue to play a significant role in how you build and what you sell. □

Allowances Determine Products

Builders standard allowances for items like lighting, plumbing fixtures, appliances and landscaping depend largely on whether the home is detached or attached. Large geographic differences also exist among builders.

Standard allowance for:	Detached	Attached
Lighting	$1837	$862
Plumbing fixtures	$3055	$3029
Appliances	$2362	$1996
Landscaping	$3332	$2559

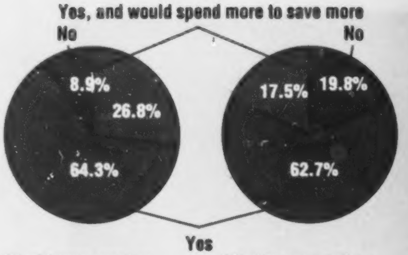
How Smart Are Your Homes?

Electronic and technological advances allow houses to increase their intelligence quota. The chart below shows which features that consumers definitely want to have or would like to have in their new homes.

Intelligent house features	All consumers	Avg. price will pay
Energy management	74.3%	$1044
Security	68.5%	$1005
Entertainment	47.9%	$877
Communications	47.1%	$653
Service/data	37.2%	$602

Spend More To Save More

To save money in the long run, most buyers are willing to pay more upfront for energy efficient equipment and lowcost maintenance features.



Would you spend an extra $500 for energy-saving products to save $100 per year on heating and cooling costs?

Would you spend an extra $1000 on low-maintenance equipment to save $200 per year on maintenance?

How Safe Are Your Homes?

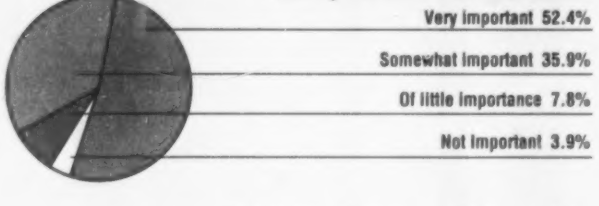
Buyers of all types and ages indicate that child safety features are important to them and the safety of their children, grandchildren and small visitors. The chart below indicates buyers by age group who definitely want or would like to have these features.

Child safety features	All consumers
Spring-loaded locks on receptacles	53.5%
Lowered handrail and matching safety gate	47.6%
Rounded corners on countertops	65.6%
Monitoring intercom	37.5%
Anti-scald devices in faucets	59.0%

How Healthy Are Your Homes?

The environment is the issue of the '90s and home building is no exception. More than half of home buyers indicate that environmental factors are very important to them when purchasing a new home. And the majority of home buyers desire minimum level or upgraded features to assure a "healthy home." Minimum level means dry basement, radon mitigation, no unvented appliances and humidity control. Upgraded package includes whole-house ventilation system filtration system and alternatives to potentially harmful building materials.

How important are environmental factors?



	First-time buyers	Move-up buyers	Empty nesters	Retirees
Desire minimum level healthy home features	83.2%	78.1%	86.0%	87.9%
Median price willing to pay	$874	$738	$807	$729
Desire upgraded package	73.5%	68.4%	83.3%	78.4%
Median price willing to pay	$1554	$1164	$1538	$1382

Buyers Indicate What They Expect Standard

Kitchen and bathroom features play an important role in the overall impression of these significant rooms. Builders and consumers agree somewhat on what items should be standard. Bulleted items below indicate at least a 15 percentage point difference in opinion.

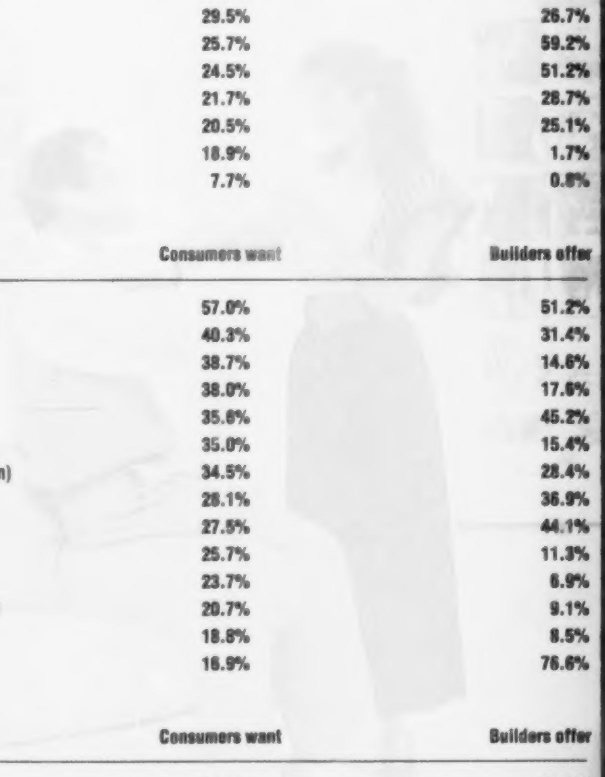
Kitchen features	Consumers want	Builders offer
Range/oven	89.5%	88.5%
Dishwasher	80.0%	94.1%
Vinyl floor covering	70.9%	64.5%
Garbage disposal	66.9%	79.7%
Pantry	66.2%	61.6%
Self-cleaning oven	63.2%	61.1%
Stainless steel sink	59.2%	63.7%
• Refrigerator	58.1%	36.0%
• Single-handle faucet	56.1%	86.4%
• Two sinks	54.8%	35.2%
Fluorescent lighting	52.4%	42.7%
• Laminate plastic countertop	48.9%	69.3%
Microwave oven	40.4%	48.8%
Enamel/porcelain sink	31.2%	32.5%
Ceramic tile countertop	29.6%	20.5%
• Two-handle faucet	29.5%	7.2%
Ceramic tile floors	19.5%	22.1%
Trash compactor	19.2%	18.1%
Carpeted floor	11.4%	6.7%
Ceramic tile walls	11.1%	6.4%

Bathroom features	Consumers want	Builders offer
Exhaust fan	86.8%	93.8%
• Medicine cabinet	85.4%	53.7%
• Linen storage cabinets	82.8%	59.3%
Tub/shower door	64.4%	63.6%
• Safety features	48.3%	24.5%
Vanity with one bowl	47.9%	33.5%
• Ceramic tile walls	47.4%	30.1%
Ceramic tile floors	44.9%	43.1%
• Vanity with two bowls	41.2%	64.9%
Bathroom heater	39.6%	20.7%
Colored fixtures	32.7%	48.7%
White fixtures	32.2%	44.4%
Dressing area	25.1%	29.3%
• Mirrored wall	22.9%	73.9%
Compartmentalized bath	20.0%	21.0%
Skylight	19.0%	28.7%
Ceramic tile vanities	19.0%	14.9%
• Whirlpool	12.2%	34.3%
Bidet	3.9%	2.9%
Sauna	3.7%	1.1%

Ten years ago, 30% of buyers expected a refrigerator as a standard kitchen feature. Today, 58% expect it.

What Buyers Really Want?

It is the extra features that really make a house something special and give it a marketing edge. Many builders get a leg up on the competition by offering standard features that consumers are willing to pay extra for. This list of optional features shows what items consumers want and what features builders provide as standard.



$100 to $300 Options	Consumers want	Builders offer
Energy-saving water heater	68.9%	70.0%
Smoke/fire alarm system	65.0%	81.0%
Ceiling fan	60.2%	48.0%
Built-in antenna/wall jacks	52.6%	59.0%
Self-cleaning oven	52.5%	67.8%
Outdoor lighting	49.2%	36.9%
Water-saving shower heads	40.0%	53.7%
Water-saving faucets	36.6%	47.4%
Clock-controlled thermostat	30.2%	20.9%
Closet organizers	29.5%	26.7%
Decorative exterior door	25.7%	59.2%
Exterior shutters	24.5%	51.2%
Gas outlet at fireplace	21.7%	28.7%
Sump pump	20.5%	25.1%
Patio grill	18.9%	1.7%
Interior shutters	7.7%	0.8%

$300 to $500 options	Consumers want	Builders offer
Garage door opener	57.0%	51.2%
Ceramic tile walls in bath	40.3%	31.4%
Storm door	38.7%	14.6%
Lawn sprinkling system	38.0%	17.6%
Microwave oven	35.6%	45.2%
Power attic ventilator	35.0%	15.4%
Built-in cabinets (not kitchen)	34.5%	28.4%
Oversize bathtub	28.1%	36.9%
Ceramic tile entry	27.5%	44.1%
Automatic humidifier	25.7%	11.3%
Patio privacy fence	23.7%	6.9%
Greenhouse/planter window	20.7%	9.1%
Electronic air filter	18.8%	8.5%
Wood sliding/patio door	16.9%	76.6%

$500 to $800 options	Consumers want	Builders offer
Paved driveway	66.3%	65.6%
Refrigerator	54.9%	27.5%
Patio decking	38.4%	50.7%
Skylights	34.7%	42.1%
Extra-large tub	27.1%	36.9%
Concrete patio	23.8%	49.3%

$800 to $1000 options	Consumers want	Builders offer
Upgraded carpeting	59.7%	32.5%
Double-glazed windows	47.1%	78.8%
Shelf system for closet	38.2%	43.3%
Patio roof	24.2%	9.1%
Water softener	23.5%	4.1%
Intercom system	15.3%	13.2%

$1000 to $1200 options	Consumers want	Builders offer
Zoned heating/cooling system	64.0%	39.7%
Laundry appliances	58.2%	11.8%
Central vacuum	29.3%	16.5%
Wet bar	15.4%	19.0%
European-style cabinets	10.4%	15.4%

$1200 to $1500 options	Consumers want	Builders offer
Yard fencing	52.1%	11.6%
Hardwood floors	44.1%	31.1%
Tub and separate shower	45.5%	52.1%
Solar water heating	25.5%	1.1%
Kitchen barbeque grilltop	15.9%	13.5%

$1600 to $2000 options	Consumers want	Builders offer
Air conditioning	74.8%	68.0%
Storm windows	58.0%	20.1%
Burglar/security system	35.0%	17.4%
Bay window	31.9%	32.0%
Front yard landscaping	30.8%	59.0%
Insulated basement walls	30.0%	30.3%
French doors	23.0%	34.4%
Whirlpool bath	20.7%	28.1%
Sauna	6.4%	1.1%
Bidet	3.5%	3.3%

$3000 to $6000 options	Consumers want	Builders offer
Fireplace	78.2%	69.1%
Hot tub	24.5%	2.5%
Additional powder room	19.1%	24.5%

$6000 to $12,000 options	Consumers want	Builders offer
Screened porch or Florida room	56.3%	8.8%
Complete landscaping	56.1%	56.7%

$12,000 to $20,000 options	Consumers want	Builders offer
Rec room in basement	54.1%	9.1%
Swimming pool	53.7%	3.6%

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PROFESSIONAL BUILDER & REMODELER (ISSN-0885-8020) Vol. 55, No. 21 is published monthly, except in January, March, April, June, July, September, and November when two issues are published and February, May and October when three issues are published in national, demographic and separate editions, by The Cahners Publishing Company, a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. The Post Office will not forward copies unless you pay the extra postage. We cannot replace lost copies. Please send a copy of the latest label when requesting address changes or adjustments. PROFESSIONAL BUILDER & REMODELER copyright 1990 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $129.95, two years $219.95; Canada/Mexico, one year $169.95, two years $289.95; other countries, one year $185, two years $315. There will be a surcharge for Air Mail of $285.00 on one-year rates and a $515.00 surcharge on two-year rates. Except for special issues where price changes are indicated, single copies of regular issues are available for $15. Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800.

INDICATORS

Single-Family Starts Up In September

A significant bright spot emerges from an otherwise disheartening report.

Overall housing starts declined for the eighth month in September to 1.135 million units. Starts of apartments and condo units plunged, reflecting the difficult credit-market conditions faced by developers.

There was, however, some encouraging news. For the first time in seven months, starts of single-family homes turned up—sharply and convincingly.

Following August's 841,000 unit annualized rate—the lowest monthly rate since October 1982—September starts rose 4.3% to an annualized rate of 877,000 units.

One month's data does not a trend make, but the latest information provides some stability in the single-family sector. □

Hottest U.S. Markets Into The Year 2000

The Commerce Department's Bureau of Economic Analysis released projections to the year 2000 of personal income, population and employment for all metro areas in the nation.

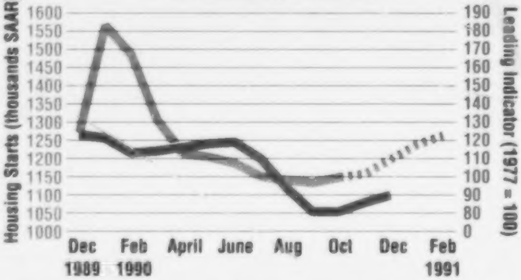
The BEA summary projects that a decade from now, 54 metro areas will have 1 million people or more. Areas projected to experience the fastest growth in population, employment and income are concentrated overwhelmingly in the South and West regions of the country. The slowest-growing areas are clustered in the Northeast and in the Great Lakes states.

Seven cities stand out as having the brightest prospects for builders and remodeling contractors: Phoenix; three areas in California (San Diego, Riverside, and Sacramento); and three others in Florida (West Palm Beach, Orlando, and Tampa). In addition to this "Magnificent Seven," Atlanta, Seattle, Jacksonville, Fort Lauderdale, Oakland, and Anaheim should enjoy excellent growth.

The four areas that had the highest per capita incomes in 1988—San Francisco, Bergen-Passaic and Middlesex-Hunterdon in N.J., and Long Island—should retain their high ranks in the year 2000. Two cities should have increases in per capita personal income exceeding 20% between the years 1988 and 2000: Oklahoma City and Nashville.

Two metro areas could generate more than one-half-million new jobs over the next 10 years: Los Angeles and Washington, D.C. The slowest-growing areas—New Orleans and New York—should see only 6% more jobs. □

PB&R Leading Indicator

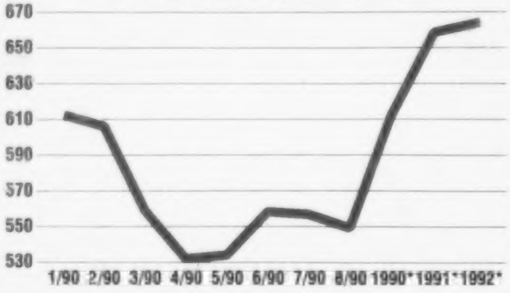


Broken line denotes forecast. Leading Indicator of Housing predicts short-term changes in residential construction over approximately the next quarter. Latest figure is based on December data and includes the Standard and Poor's h-b stock index, 90 day T-bills, bank reserves, consumer confidence index and the ratio of homes for sale to those sold. Prepared exclusively for PB&R by Cahners Economics.

Regional Market Conditions
(Year-to-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Albany	-20.1%	$101,385	+6.4%	+1.9%
Newark	-21.8%	$126,366	+4.3%	+1.2%
Miami	-34.3%	$80,961	-4.7%	+3.0%
Louisville	+12.2%	$87,861	+9.9%	+2.9%
Houston	+19.9%	$103,886	-8.3%	+3.1%
Detroit	-4.3%	$95,014	+5.3%	-0.3%
St. Louis	-6.2%	$86,915	+3.7%	+0.9%
Las Vegas	+20.3%	$76,346	+42.1%	+9.2%
Sacramento	+10.9%	$127,916	+28.2%	+3.8%

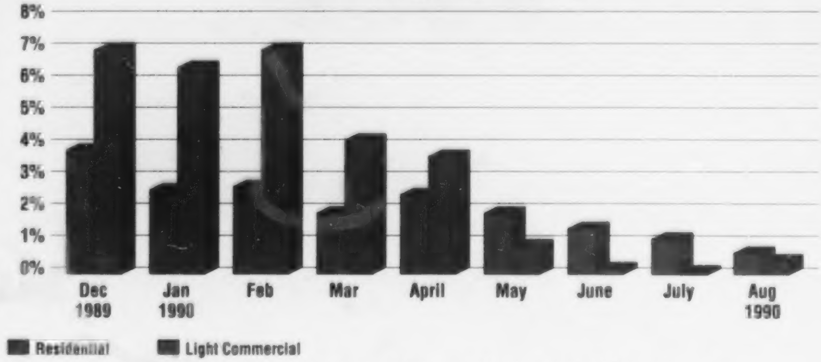
New Single-Family Home Sales



* Forecast

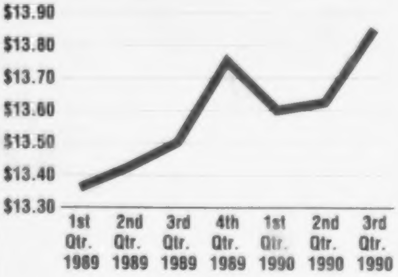
Data reflects seasonally adjusted annualized rates, in thousands.
Source: U.S. Department of Commerce; forecast by Cahners Economics.

Remodeling Permit Trends: Residential & Light Commercial



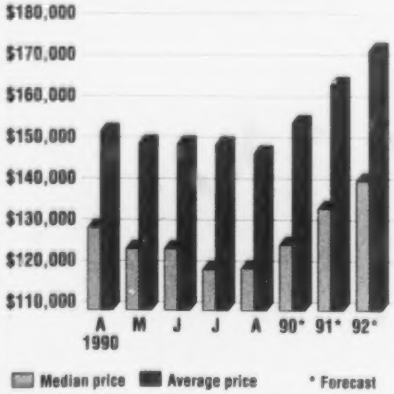
Data reflects percentage change in 12-month moving totals. Source: U.S. Department of Commerce; forecast by Cahners Economics.

Average Hourly Earnings For Construction Workers



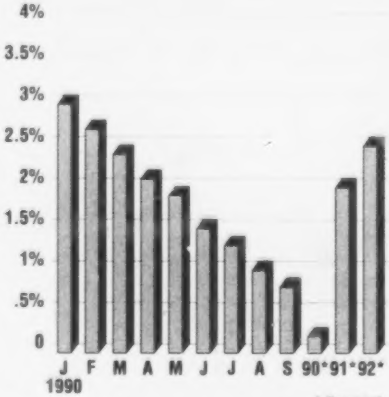
Source: U.S. Department of Commerce.

Sales Prices Of New Single-Family Homes



Source: U.S. Department of Commerce; forecast by Cahners Economics.

Construction Materials Prices



* Forecast

Data reflects over-the-year change in Producer Price Index.
Source: U.S. Department of Labor; forecast by Cahners Economics.

Key Trends At A Glance

	Sept 1990	Dec 1989
Housing starts (SAAR)	1,135,000	1,273,000
New home sales (SAAR)	550,000	633,000
Median new home price	$120,200	$125,200
Fixed-rate mortgages	10.18%	9.74%
Remodeling permit trend	+2.60%	+4.80%
Construction wage trend	+3.30%	+4.00%
Consumer confidence (1985=100)	84.7	113.0

Multifamily Construction Weakens Further

The sickly multifamily housing market continued to contract through the first three quarters of 1990. Total new starts in buildings with five units or more totaled only 209,100 units through the first nine months of 1990. That's 15% below the already slow pace set during the January-September period of 1989.

Over the last year, the number of new apartments completed has declined by 21.1%, while condominium completions fell 6.4%.

On the positive side, there are unmistakable signs that the current excess supply of rental units is being slowly absorbed by market demand and that a better balance has been struck between current demand and new production.

During this year's second quarter the national rental vacancy rate fell to 7.0%, down from 7.4% in the second quarter of last year and far below the 8.1% peak recorded during the third quarter of 1989.

Cahners Economics sees the downward spiral coming to an end by early 1991. Total starts in buildings with five units or more should total about 266,000 units this year, down more than 16% from the 1989 total. We expect to see a modest increase to 272,000 units in 1991 and to 284,000 units in 1992. We expect total inflation-adjusted spending on multifamily housing to turn up again in 1991-92, with annual increases averaging about 4%. □

NOTE

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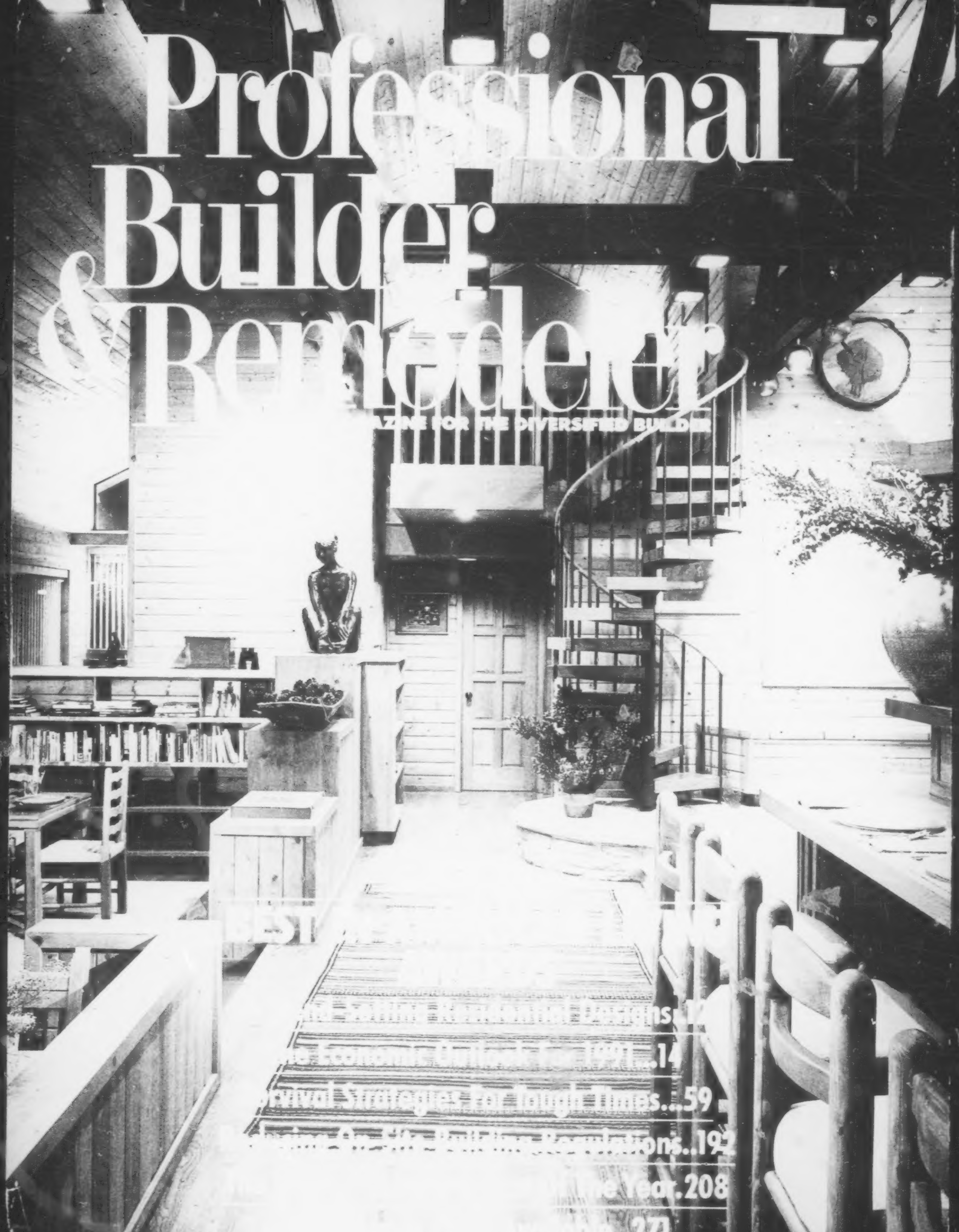
AZINE FOR THE DIVERSIFIED BUILDER



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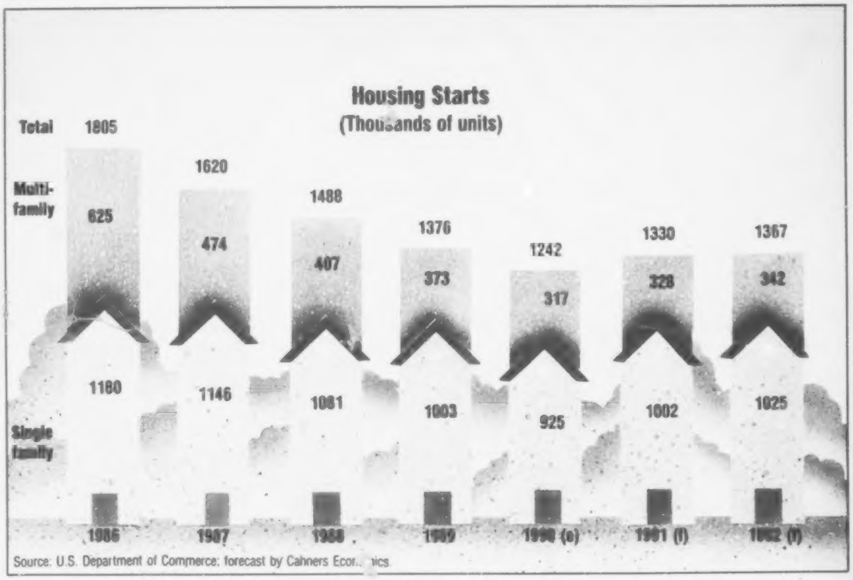
Professional Builder & Remodeler

THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER

On The Cover

■ The BALA House Of The Year, called the Karakahl, was created by builder Don Galts and architect Vernon Swaback on a hillside site in Forest Lakes, Ariz. This 2350-square-foot retreat took 14 months to complete. Photography by Mark Boisclair.



Source: U.S. Department of Commerce; forecast by Cahners Economics

What's on the economic horizon: p. 14.

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Professional Builder & Remodeler's awards program (co-sponsored with NAHB) recognizes well-designed attached and detached homes that incorporate livability, construction quality and architectural appeal.

Let America Build: Regulations Reform 192

The direct costs of over-specified residential streets, sidewalks and sewer capacity show up in housing prices. But just as important, such requirements have the effect of eating up land. Those indirect expenses add even more to the housing affordability problem.

Product Showcase 208

In this special report, builders will find an abundance of new and best-selling products. Staff editor Lisa Marquis assembled this portfolio of building products and services.

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The country's top residential designs: p. 128.

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Business

■ Cahners Economics says the overall economic forecast for 1991 is weak, although construction markets should begin their recovery by midyear. Complete details on key markets, including remodeling and non-res construction, are included: *p. 14.*

Markets

■ Here's a collection of some of the finest housing product in the United States. If you're attending the NAHB Show in Atlanta this month, you'll want to jot down some of these key "sites" to tour: *p. 31.* Historic renovation proves to be a lucrative niche for a Virginia builder: *p. 46.*

Management

■ Survival is the name of the game this year. Here is sound advice from building veterans who've weathered many down cycles in the past: *p. 59.*

Marketing

■ Need some good promotional and advertising ideas to carry you through these tough times? Here's a first-rate collection: *p. 81.*

Technology

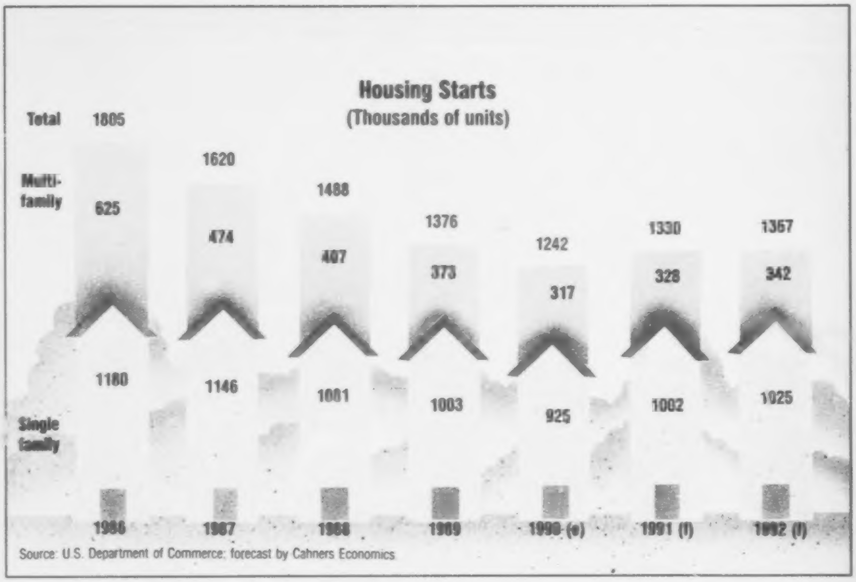
■ Flexibility is the main goal of producers of modular housing and building systems these days. Their product can be easily adapted, in fact, to meet the needs of upscale buyers: *p. 199.*

BUSINESS

■ 1991 OUTLOOK: PART I

Construction Markets Should Begin A Slow Recovery By Mid-Year

While new home construction is still weak, remodeling should fare better in 1991.



Source: U.S. Department of Commerce; forecast by Cahners Economics

Overall, 1990 ranks as the worst year for the economy since 1982. Fortunately, we see growth accelerating as 1991 progresses, although the 1.9% increase that we are forecasting in the nation's Gross National Product remains well below the average 3.5% annual growth recorded during 1987-1989.

Construction-related businesses are fortunate to always be at the "leading edge" of business cycle upturns. Builders and remodelers will be among the first businesses to benefit from the higher levels of economic activity in 1991. However, the recovery will be painfully slow—trying the patience of those in the business.

Here's a look at key segments:

Residential construction activity in 1990 declined to a level not seen since the '81-'82 recession. Total housing starts declined by 9.7%, the fourth consecutive "down" year. Total dollars spent on the construction of new homes and apartments was off by a correspondingly large 7.5%.

We expect a combination of lower interest rates, a recovering U.S. economy, and "pent-up demand" to begin to reverse this discouraging trend in 1991. Total starts should be up about 7% from the depressed 1990 level.

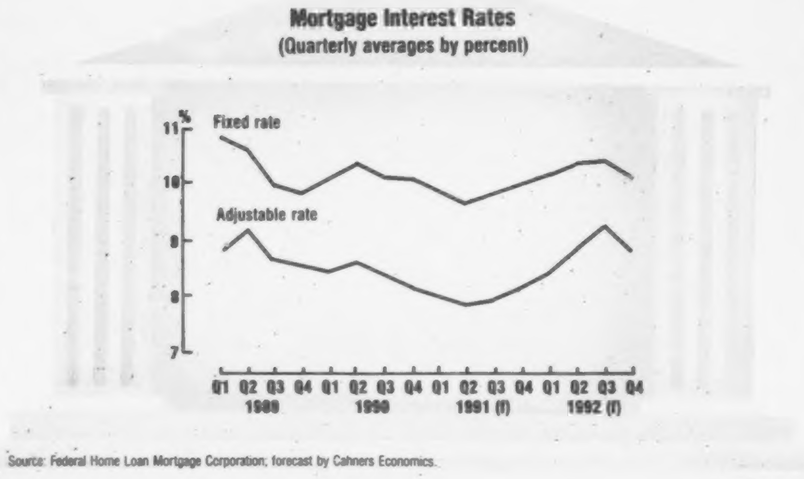
Single-family starts should increase 8.3%, after falling below one million units in 1990 for the first time in eight years. The battered and beaten multifamily sector will finally bottom out in 1991, following a five-year period when annual starts of apartments and condominiums fell 52%. The modest 3.4% gain would be greater were it not for the reluctance of lenders to make funds available for multifamily projects.

All regions of the country should share in the modest upturn. The Midwest fared best during the period of extreme weakness from which we are just emerging, while new construction in the Northeast plummeted. Total starts in the Northeast during 1990 were barely 40% of their 1986 peak. Steady gains will continue to be achieved by most cities in the Great Lakes and Plains states, while the prolonged decline in residential construction in the Northeastern metro areas will finally stabilize.

Permit trends indicate that the best growth in 1991, both for single-family and multifamily construction, will occur in Oil Patch cities like Dallas and Houston.

Residential remodeling had another slow year despite the first quarter surge in consumer spending on upkeep and improvement work. Consumer confidence waned as the economy slowed and the Middle East crisis heightened.

For the year as a whole, total upkeep and improvement spending eked out a gain of only 2.9%, following last year's decline of 0.2%. We look for a some-



Source: Federal Home Loan Mortgage Corporation; forecast by Cahners Economics.

Residential Remodeling Expenditures
(Billions of dollars)

	Maintenance & Repairs	Additions & Alterations	Major Replacements	Total
1989	$42.7	$39.8	$18.4	$100.9
1990 (e)	$44.1	$40.7	$19.0	$103.8
1991 (f)	$46.3	$43.4	$19.9	$109.6
1992 (f)	$48.9	$46.5	$20.9	$116.3

Source: U.S. Department of Commerce; forecast by Cahners Economics.

what better 1991, with total spending on residential upkeep and improvement projects moving ahead by 5.6%. As the economy improves and consumer confidence turns up, spending on big-ticket improvement projects should benefit the most. We are forecasting a 6.5% increase in expenditures for residential addition and alteration jobs.

Somewhat better rates of growth should be realized during the next few years as homeowners are increasingly inclined to "move up in place." Weakness in the new residential construction sector, reflected in fewer new home sales and slower rates of price appreciation, should help spur remodeling activity.

Although remodeling spending will continue the well-established trend towards exceeding new construction spending in percentage growth, annual rates of increase during the next few years will be well below the "boom-time" rates of the 1984-1987 period.

A review of building permit trends suggests that remodeling activity was particularly strong in the Midwest and on the Pacific Coast during 1990. The large industrial cities of the Northeast and Midwest, with their large stock of older homes ripe for repair and remodeling, will continue to support a high volume of upkeep and improvement work. However, the fastest-growing markets in 1991 will be those areas—particularly in California, Florida and the Pacific Northwest—where the pace of new construction activity has slowed, but income and employment trends remain positive.

Non-residential construction spending, in contrast to the near recession-like weakness in residential markets continued to rise modestly throughout most of 1990. Commercial, industrial and institutional construction spending totaled $146.6 billion, an increase of 3.9% over the previous year's total. However, all of the relative strength in non-residential construction was concentrated in just a few building types—warehouses, schools and hospitals.

Total dollars spent on the construction of new commercial space fell in 1990 for the first time since 1987. Total commercial construction spending, in real terms, declined 5% in 1990 and will fall by the same amount in 1991. By far the weakest group within the commercial sector will continue to be, office buildings.

Continued on page 18.

Oil price shocks should not drive up building material cost

Continued from page 15.

Construction of new shopping malls, restaurants, and the variety of other retail and service establishments declined slightly during 1990. Demand should grow sufficiently to support at least a small increase in this group in 1991. But overall spending for the entire hotel construction segment should be off about 4% from 1990.

Non-residential reconstruction, following several years of strong growth, turned weaker in 1990. Although no comprehensive series exists which enables us to monitor changes in the value of non-residential reconstruction work with the same precision as for residential remodeling work, building permit values do help us to get a sense of how private reconstruction markets are faring.

In 1990, the total value of permitted private non-residential addition, alteration, and conversion work fell 1.1% from the level of 1989. This was the first time in the 10 years that we have been monitoring this data that the value of reconstruction work declined over a 12-month period. Still, private reconstruction fared better than the fading new construction market: during 1990, the value of permitted new private non-residential construction was down more than 10%.

This relationship should hold true in 1991 as well. We expect the total value of non-residential reconstruction work to rise a modest 5%, while new non-residential construction will decline slightly.

Building materials prices rose much more slowly in 1990 than at any time during the past several years. Following a 3.3% hike in 1989, inflationary pressures eased.

The most dramatic slowdown in price inflation was concentrated in those materials used primarily in residential construction. Lumber and gypsum products both recorded actual price declines over the year. Excess production capacity has kept the lid on plastic construction product price increases, despite the susceptibility of these petroleum-based products to higher oil prices. Paint products, on the other hand, have seen above-average increases the past few years.

For 1991, the gradual upturn in construction activity, combined with some spillover from rising energy costs, should send construction materials prices up a sharper, but still modest, 2%. Only a few construction products are petroleum-intensive, so the effects of any additional oil price shocks should be blunted. although it could raise transportation costs, which some manufacturers will pass onto contractors.

By Kermit Baker & Daryl Delano, Cahners Economics

Price Changes For Selected Building Materials
(Annual percent change)

	1987	1988	1989	1990	1991 (f)	1992 (f)
All construction materials	2.1%	5.6%	3.3%	0.2%	2.0%	2.5%
Builders' hardware	1.4	4.3	4.4	4.1	2.6	3.2
Ceramic floor & wall tile	3.4	3.3	2.3	1.6	1.3	2.5
Common brick	3.6	3.9	0.8	2.1	2.6	1.7
General millwork	3.9	3.4	4.6	2.0	3.2	4.0
Gypsum products	-8.7	-9.8	-2.5	-4.5	-5.6	0.3
Lighting fixtures	2.8	2.8	4.8	2.8	2.8	3.2
Lumber	6.9	3.3	3.0	-0.7	1.2	4.1
Plumbing fixtures	3.7	7.5	7.0	4.4	5.1	3.7
Prepared paints	1.0	3.8	6.5	4.3	4.9	4.2
Strip shingles	-5.1	0.8	-0.1	-0.3	0.7	1.5

Source: U.S. Bureau of Labor Statistics; forecast by Cahners Economics.

1991 Building Forecast, At A Glance

Housing Starts: 1.002 million single-family units; 1.33 million total.

Remodeling: 5.6% increase in spending to $109.6 billion.

Non-Res: New construction off 5%, but reconstruction will be up 5%.

Mortgage Interest Rates: Fixed rates to dip below 10% in early 1991.

Building Material Prices: Up 2% for 1991.

AD INDEX

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PROFESSIONAL BUILDER & REMODELER (ISSN-0885-8020) Vol. 56, No. 1 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $139.95, two years $229.95; Canada/Mexico, one year $179.95, two years $299.95; other countries, one year $195.95, two years $325.95. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800.

Professional Builder & Remodeler

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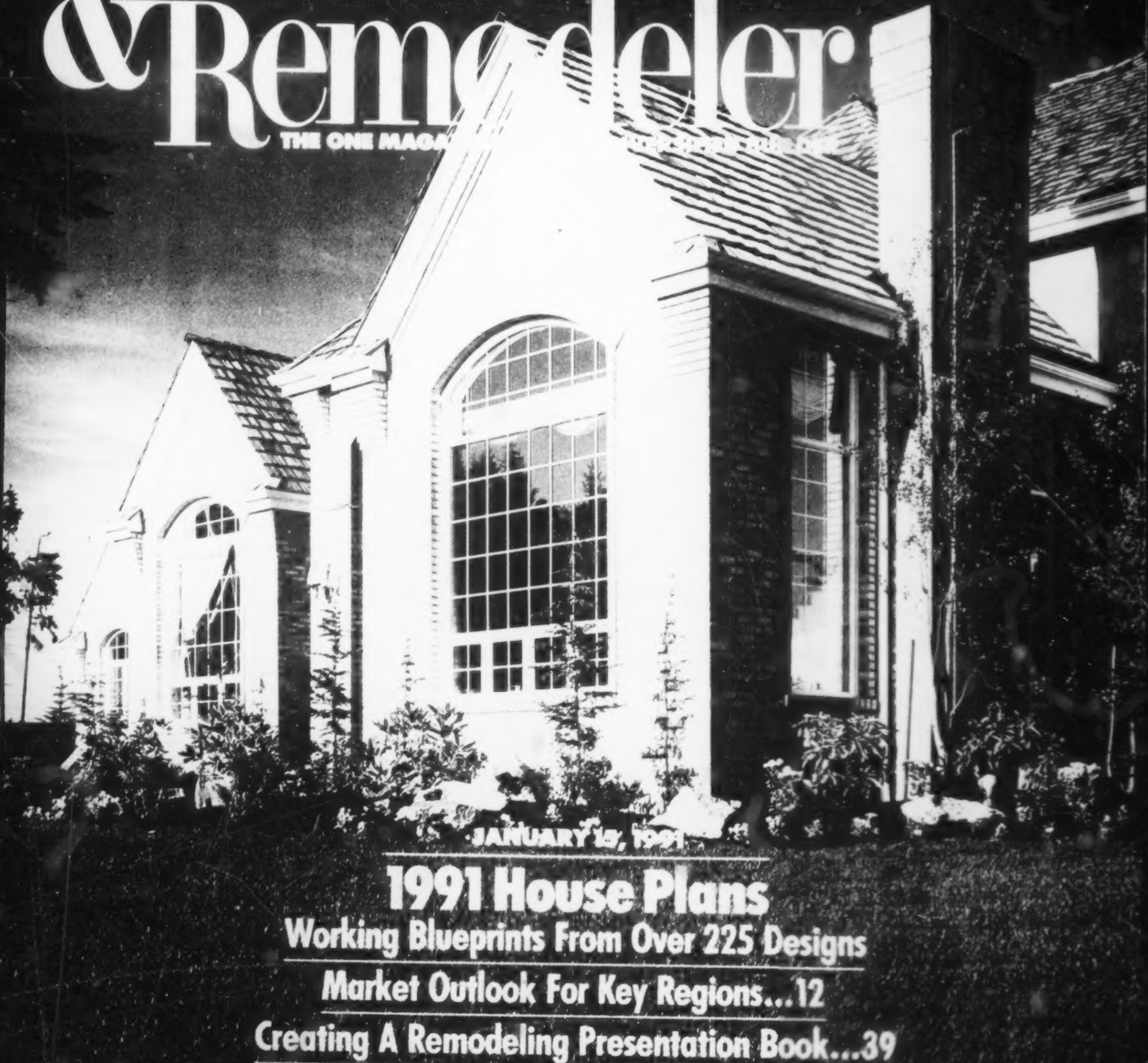

JANUARY 15, 1991

1991 House Plans

Working Blueprints From Over 225 Designs

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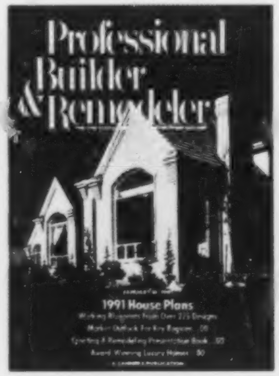

On The Cover

■ The Palisade plan by Northwest Home Designing Inc. proved an all-around winner in an exclusive showing of homes in Federal Way near Seattle. The 3992-square-foot home took Best of Show and won top honors for its master suite and kitchen design. Plans for this home are available. See page 259 for details on ordering working blueprints. Photography by James Reuter Jr.

Custom amenities enhance old-world look: p. 50.

An effective marketing tool: p. 39.

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Award Winning Designs 47

Professional Builder & Remodeler is happy to bring its top-selling plans to you. This year, our annual house plans issue is divided into six sections:

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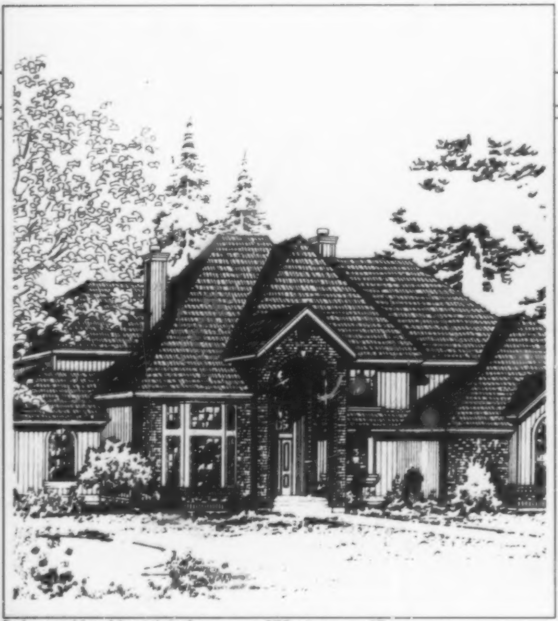
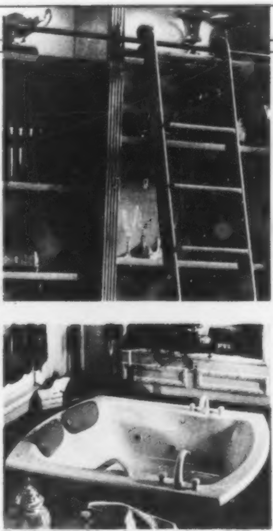


Order working blueprints from over 225 plans: p. 47.



Products add sales punch: p. 307.

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Business

- The regional outlook for the industry offers a mixed bag: *p. 12*. Diversification, if handled properly, can be a key to success: *p. 14*.

Markets

- Up-to-date designs and merchandising for the "wet rooms" can make or break a sale: *p. 21*.

Management

- According to the industry's top builders, today's construction superintendents need as much marketing savvy as technical skill—maybe even more: *p. 29*. Cenville has found a way to use computers to aid in the selling of homes: *p. 34*.

Marketing

- A "presentation book" may be a remodeler's single-most effective marketing tool: *p. 39*. The custom home buyer needs more "handholding" during the construction process than any other. Here are some tips from the experts: *p. 40*.

Technology

- Here's a look at some new energy-saving building techniques: *p. 301*.

Next Issue

- In the February 1 issue: High-density housing ideas, marketing advice from Giant builders, and tips on how top executives groom their successors.

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PROFESSIONAL BUILDER & REMODELER (ISSN-0885-8020) Vol. 56, No. 2 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $139.95, two years $229.95; Canada/Mexico, one year $179.95, two years $299.95; other countries, one year $195.95, two years $325.95. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800.

INDICATORS

Some Bright Spots In Housing Starts Picture

Evidence of a recovery seen in the Northeast region.

The seasonally adjusted annualized rate of housing starts declined for the ninth consecutive month during October. At 1.041 million units, the October rate was the lowest recorded since June 1982. With the seemingly endless string of bad news—pertaining to the overall economy, as well as to the construction industry—it's important to seek out whatever good news there might be.

Between April and October of 1990, the period of time during which starts went into a virtual free fall, the monthly annualized rate of total starts fell by 14%. However, the good news—such as it is—is that starts of traditional single-family homes fell by less than 5% over the same period. The total starts number, which has been highly publicized and contributes to the doom and gloom of prospective builders and buyers, was dragged down by an extraordinary 41% drop in multifamily starts.

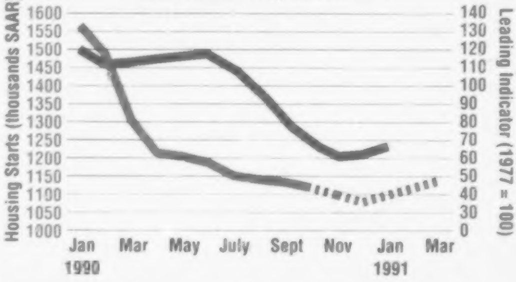
Another bright spot below the surface of 1990's plunge was the evidence of a nascent recovery in the Northeast region. October's rate of total starts in the Northeast was actually 16% above the rate registered six months earlier. This was in sharp contrast to the declines recorded in the other three regions: Midwest, -17%; South, -16%; and West, -22%. Although the October starts number for the Northeast may exaggerate the extent of recent improvement in the region, it is clear that while the downturn has accelerated in other parts of the nation, the markets in the Northeastern states have reached bottom. □

Consumer Confidence Falls To Lowest Level In 8 Years

Consumer confidence, an imprecise but useful measure of our collective state of optimism/pessimism about the future, plunged in the wake of the invasion of Kuwait. Although the sluggish U.S. economy and the discouraging circumstances surrounding the federal budget deficit had caused the Conference Board's index to weaken between April and July of last year, the events of Aug. 2 caused an immediate and sharp drop.

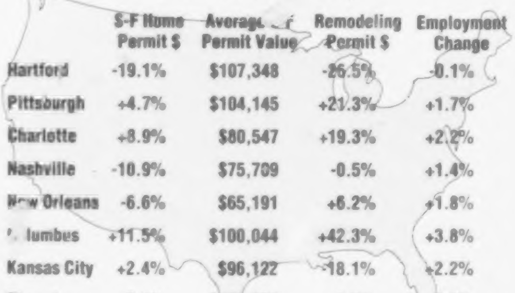
During November, the Consumer Confidence Index had fallen to a level of only 61.5. That is down more than 50 points from

Continued on page 326.

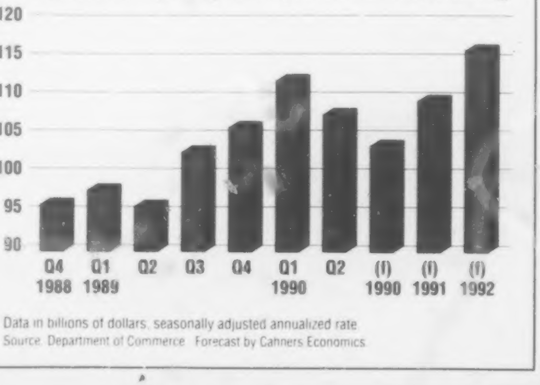

PB&R Leading Indicator

Broken line denotes forecast. Leading Indicator of Housing predicts short-term changes in residential construction over approximately the next quarter. Latest figure is based on January data and includes the Standard and Poor's h-b stock index, 90 day T-bills, bank reserves, consumer confidence index and the ratio of homes for sale to those sold. Prepared exclusively for PB&R by Cahners Economics.

Regional Market Conditions
(Year-to-Date Trends)



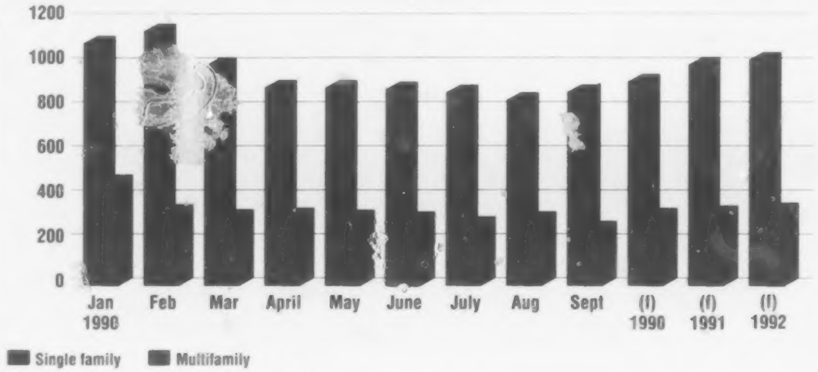
	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Hartford	-19.1%	$107,348	-26.5%	-0.1%
Pittsburgh	+4.7%	$104,145	+21.3%	+1.7%
Charlotte	+8.9%	$80,547	+19.3%	+2.2%
Nashville	-10.9%	$75,709	-0.5%	+1.4%
New Orleans	-6.6%	$65,191	+6.2%	+1.8%
Columbus	+11.5%	$100,044	+42.3%	+3.8%
Kansas City	+2.4%	$96,122	-18.1%	+2.2%
Phoenix	+0.1%	$108,678	+1.5%	+3.8%
Seattle	-1.9%	$112,736	+24.8%	+4.1%


Residential Upkeep & Improvement Spending

Data in billions of dollars, seasonally adjusted annualized rate
Source: Department of Commerce. Forecast by Cahners Economics.

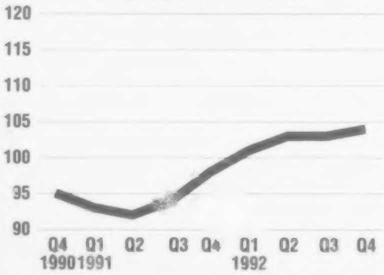
INDICATORS

Housing Starts



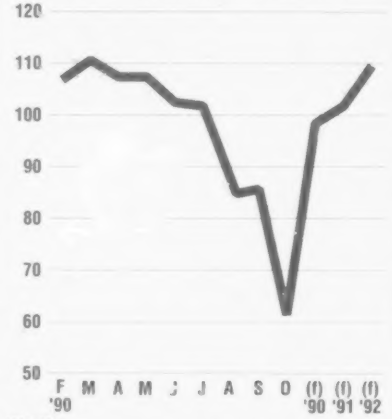
Data in thousands of units, seasonally adjusted annual rate.
Source: Department of Commerce. Forecast by Cahners Economics.

PB&R Market Forecast Of Building Activity



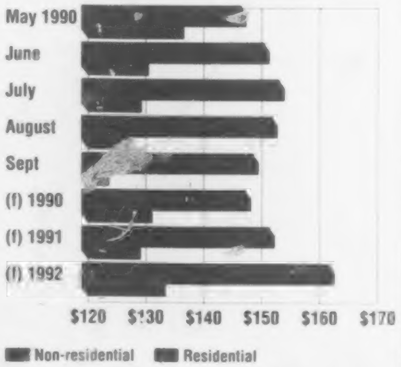
1987=100. Index represents a weighted average of forecast trends in residential, remodeling, and light commercial construction markets. Data are expressed in 'real' terms (i.e. adjusted for the effects of inflation). Source: Cahners Economics.

Consumer Confidence Index



1985=100.
Source: U.S. Department of Commerce. Forecast by Cahners Economics.

Non-residential vs. Residential Construction Spending



Data in billions of dollars, seasonally adjusted annual rate.
Source: Department of Commerce. Forecast by Cahners Economics.

Key Trends At A Glance

	Sept 1990	Jan 1990
Housing starts (SAAR)	1,135,000	1,568,000
New home sales (SAAR)	503,000	613,000
Median new home price	$115,000	$125,000
Fixed-rate mortgages	10.18%	9.90%
Remodeling permit trend	+2.2%	+0.6%
Consumer confidence (1985=100)	85.6	106.5
Construction wage trend	+3.3%	+2.5%

Continued from page 325.

November 1989's confidence reading of 115.1. It is at least somewhat encouraging to note that November's pessimistic level was little changed from the month before, suggesting that the worst declines are behind us. Although the most recent index level was the lowest since January 1983, it remains slightly above the '82 average of 59. ☐

Light Commercial Activity Weakens

Although non-residential construction activity fared better than new residential construction during 1990, all of the strength was concentrated in the industrial and institutional sectors. Total dollars spent on the construction of new commercial space fell last year for the first time since 1987, while renovation/reconstruction spending barely held its own.

After adjustment for inflation, commercial construction spending fell by 5.1% last year—little better than the 7.5% drop in total residential construction spending. The office building market is by far the weakest part of the commercial sector.

During 1991, however, we expect the combination of the oversupply of available space and the credit crunch to depress spending throughout all parts of the commercial sector. Somewhat better opportunities should be available for light-commercial remodeling and renovation, as building owners are forced to upgrade space. ☐

By Daryl Delano, Cahners Economics

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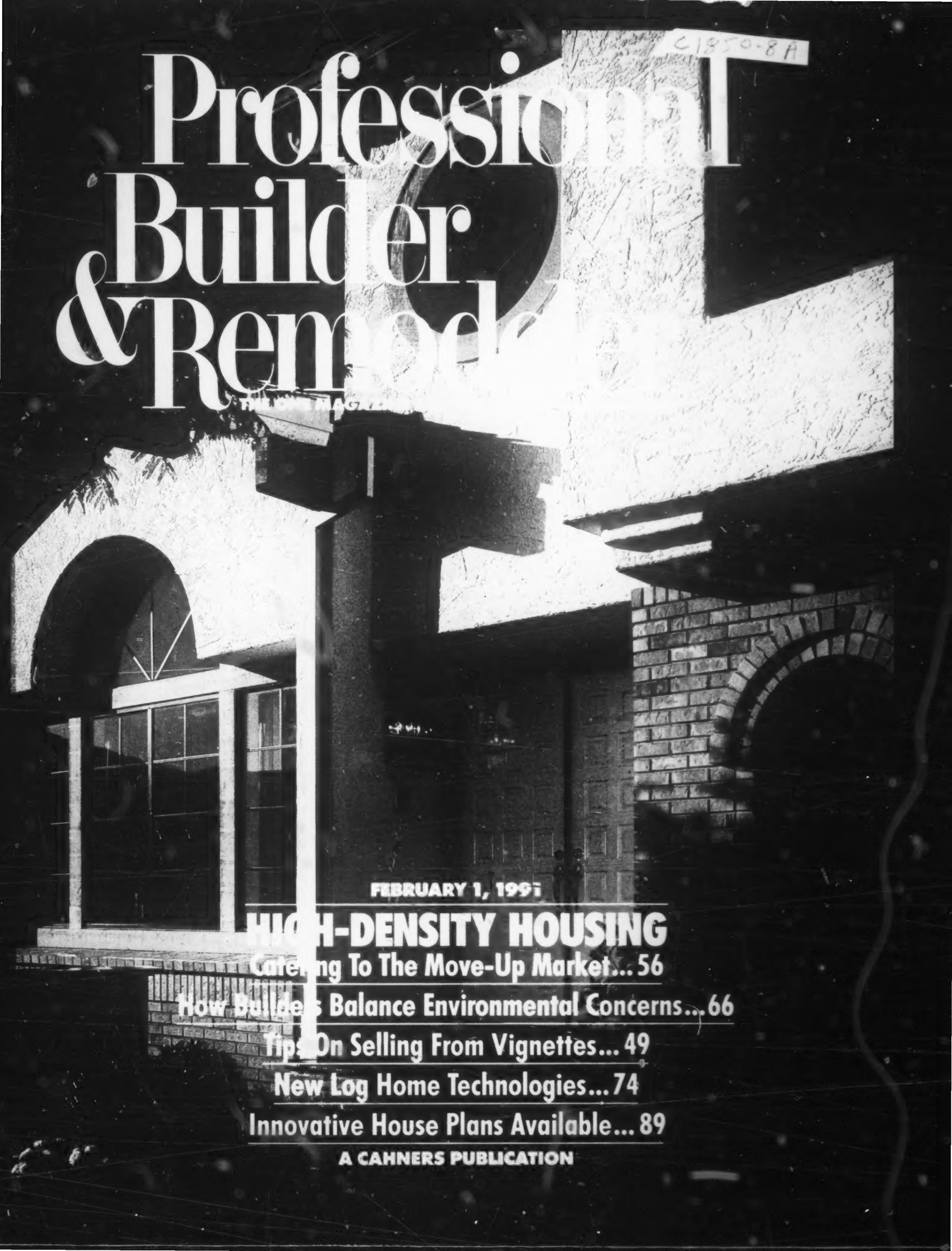

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HIGH-DENSITY HOUSING

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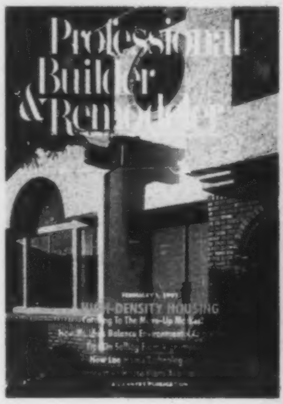

On The Cover

■ A-M Homes' single-family detached models at Palacio, San Jose, Calif., are built nine units to the acre. The high-density design saved the company $25,000 per lot. Photography by Mark Boisclair.

Novel cluster-housing designs: p. 56.

Environmental challenges: p. 66.

FEATURES

Let America Build: High-Density Housing 56

If the current crisis in the supply of affordable housing is to be resolved, higher density housing must be part of the strategy. It can be a viable way to combat the rising cost of land and still create appealing neighborhoods with maximum value.

Balancing Environmental Concerns 66

Protecting the environment tops the national political agenda, but it is often at odds with the production of housing. The future may belong to builders able to position themselves on the same side of this emotional issue as their targeted buyers.

New building techniques for log homes: p. 74.

Cabinetry for every room: p. 78.

FEBRUARY 1, 1991

Business

■ In Part III of our exclusive 1991 Outlook report, the industry's top Giants outline key marketing and design strategies for a year of survival: *p. 16.*

Markets

■ A "granny flat" addition enables homeowners to provide supervision for aging parents, while maintaining their dignity and privacy: *p. 29.*

Management

■ Passing the corporate baton, Ryland Homes, one of the nation's leading builders, facilitates the transition: *p. 35.* If a construction business represents your biggest asset, take steps to reduce the impact of estate taxes: *p. 36.*

Marketing

■ Bukiet Building vignettes models to save money, find a marketing advantage: *p. 49.* Secondary baths can be a lucrative source of business: *p. 52.*

Technology

■ Log home systems are no longer simple square boxes. Many stick builders find they've become easier to assemble and sell: *p. 74.*

Next issue

■ Gourmet kitchen and power bath designs; ideas on how remodelers can avoid bidding wars; and drought-resistant landscaping techniques.

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New Construction/Remodeling Synergy In A Survival Market

By Roy L. Diez,
Vice President,
Editorial Director

With the recession, many new home builders are now looking to the remodeling market as a way to bolster flagging construction activity.

These late-comers are joining a host of builders who have diversified into the remodeling market in recent years, not because of the current recession, but because they view remodeling as a strong growth market for the entire decade of the 1990s, and beyond.

Small-volume and custom home builders have always switched back and forth between new construction and remodeling—going where the business is, gaining jobs from referrals and past customers. More recently, many medium- and large-volume builders have entered the market, creating new remodeling divisions within their operation.

A recently completed Builder Remodeling Survey conducted by *PB&R* documents this across-the-board diversity. Large- ($1 million-plus annual volume), medium- ($500,000 to $1 million) and small-volume builders (under $500,000) all reported significant activity in both remodeling and new construction—see chart.

Collectively, 54% of these builders said that remodeling had become a more important part of their business activity over the past five years. Only 7% said that remodeling had become less important.

Including remodeling in their building capabilities has been a smart move by builders because, despite the declining economy, remodeling activity has grown.

Residential remodeling expenditures actually increased last year (rising from $100.9 billion in 1989 to an estimated $103.8 billion) and are expected to grow higher this year (to $109.6 billion). More important is the fact that the additions and alterations portion of this market—which consists of jobs well suited to any new home builder—has also continued to grow (increasing from $39.8 billion in 1989 to an estimated $40.7 billion in 1990 and a projected $43.4 billion this year).

% Of Business Activity

	Large	Medium	Small
New Const.	52%	42%	35%
Remodeling	48%	58%	65%

Note: Full survey results will be published in an upcoming issue.

Is Mass Market For Remodeling Possible?

In *PB&Rs* recent Builder Remodeling Survey (see chart note above), 56% of surveyed firms said that they have remodeled homes that they originally built. Moreover, 35% said that such jobs were a consistent source of remodeling business. For medium- and large-volume builders such figures might point to the intriguing possibility of developing a mass market approach to residential remodeling.

First, consider all the tract production model homes you built and sold over the past 10 to 15 years. Now think how easy it would be to develop popular but standardized remodeling plans for those older models—maybe a room addition for growing families, or a kitchen modernization, or conversion of a secondary bedroom to a larger master suite.

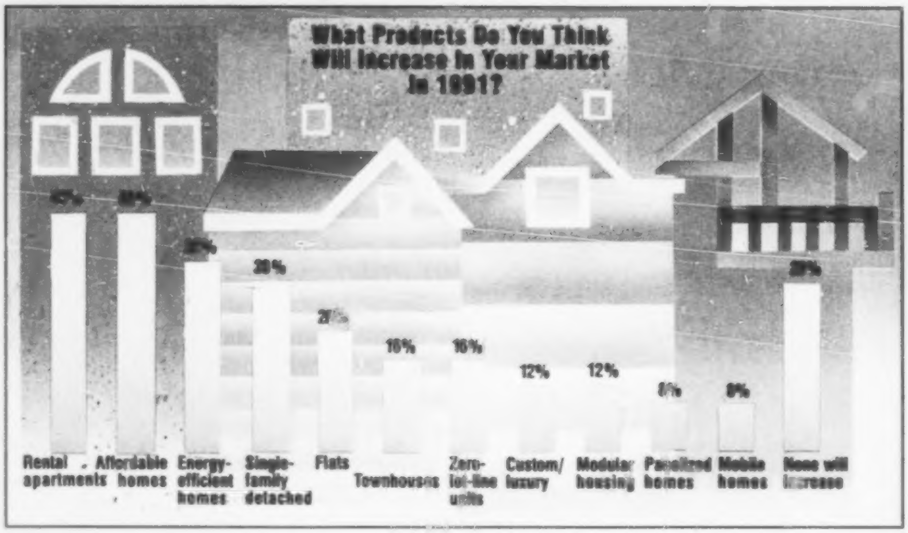
Finally, think how easy it would be to fashion a targeted direct-mail remodeling campaign to all of those past buyers of your company's new homes.

It could make your mouth water.

■ 1991 OUTLOOK: PART III

Giants Gear Up For Lean And Mean Business Climate To Come

The top 400 builders discuss their plans for 1991 and offer advice on operating during tough times.



As the going gets tougher, the nation's largest home builders are concentrating on downsizing operations and focusing their marketing. The following is a summary of the latest "Giants Speak Out" study, conducted by The Blackstone Group, Chicago, on behalf of *Professional Builder & Remodeler* magazine.

Forty percent of the surveyed builders said rental apartments would increase in their markets in 1991. Another 40% said affordable housing would increase, while a sizable 32% pointed to energy-efficient homes. Value and quality was cited by 96% as the top marketing theme, followed by price (88%), location (84%), and affordability (76%).

The emphasis will shift from move ups to first-time buyers next year, according to 52% of the builders surveyed. As Ned Siegel of Weingarten-Siegel Group, Manalapan, N.J., explained, move ups are getting harder to attract because selling their existing homes has become more difficult. Paul Amir, Amir Development Co., Beverly Hills, Calif., plans to entice first-time buyers by reducing the downpayments and eliminating the luxury items in the homes he sells.

"We create urgency in the mind of the buyer through media and mass mailings," says Michael Van Daele of Van Daele Development, Riverside, Calif. Van Daele's advertising stresses that the cost of owning a home is competitive with the cost of renting a home.

Another builder in California, Phil Bates of Hal Porter Homes, Brentwood, says his company encourages prospects to closely inspect houses under construction: "We have as rigorous a quality insurance program for first-time buyer housing as other builders have for $500,000 homes. I think buyers appreciate that."

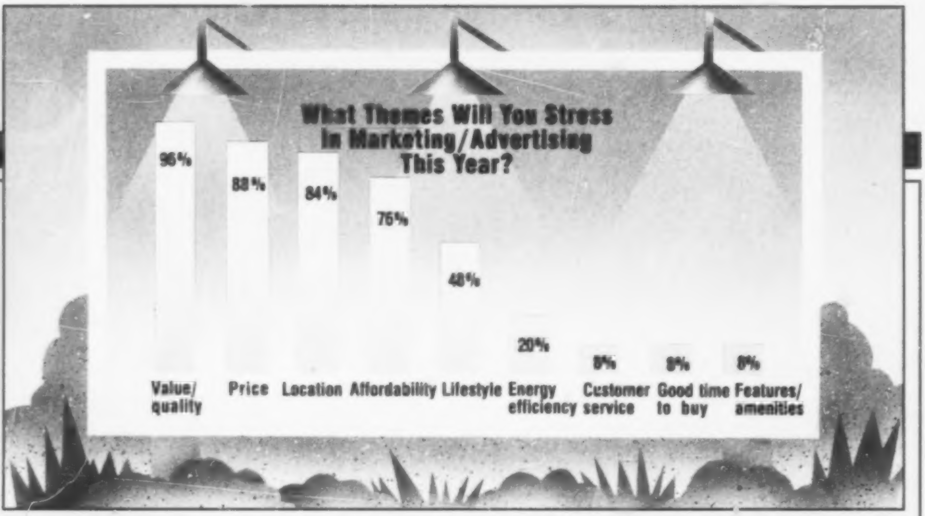
Giants were divided on the strategies for countering the downturn, with 52% saying they planned to further diversify in the coming year. Those reporting a move to diversify had some creative approaches. For example, the Arker Cos., Woodmere, N.Y., has a subsidiary called Metro Golf Associates that develops golf courses for Japanese and other offshore investors.

Dave Kohner, vice president of development for the Pacific Northwest division of Picerne Properties, Warwick, R.I., says the firm (best known as a builder of rental housing) is considering a move into affordable for-sale housing in the Seattle area. "It seems like a niche that hasn't been filled," he says.

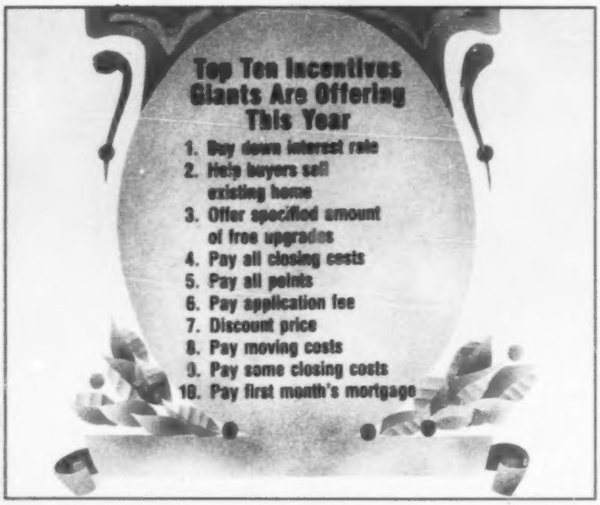
On the other hand, Jim Clayton, Clayton Homes, Knoxville, Tenn., sees no reason to diversify because his business has been profitable. The company is a producer of manufactured housing. "We're staying focused on our five-year plan," says Clayton.

Most of the Giants surveyed (84%) concentrate their activities in single-family housing, but they also are active in multifamily for-sale (56%) and rental housing (40%). In 1991, the Giants plan to step up their involvement in rental housing, overseas marketing, remodel-

Phil Bates,
Hal Porter Homes

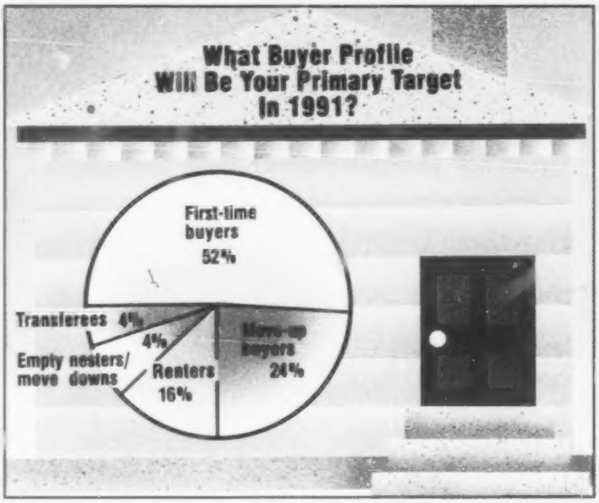


What Themes Will You Stress In Marketing/Advertising This Year?



Top Ten Incentives Giants Are Offering This Year

1. Buy down interest rate
2. Help buyers sell existing home
3. Offer specified amount of free upgrades
4. Pay all closing costs
5. Pay all points
6. Pay application fee
7. Discount price
8. Pay moving costs
9. Pay some closing costs
10. Pay first month's mortgage



What Buyer Profile Will Be Your Primary Target In 1991?

ing and adaptive reuse. Remodeling is viewed as a long-term opportunity by 40% of the surveyed builders, as opposed to 20% who see it primarily as a hedge against a down market.

Housing starts will decrease this year, said 56% of respondents, but 24% felt they would remain the same. According to 64%, new home prices will stay the same, and 44% said construction costs would increase. But 72% said land costs would decrease.

Average selling prices will decrease in 1991, according to those surveyed. Builders reported an average price of $177,348 in 1990. Next year, the average price is expected to be $172,183.

Giants suggested a number of strategies for keeping costs down (see checklist). In addition to the top 10 ideas listed here, building at higher densities was mentioned by Los Angeles builder William Rattazzi and James B. Fleig of Shawntana, Newport Beach, Calif.

Kohner says Picerne Properties plans to be "more productive, do more national buying and work harder in states where economies have been very strong. Suppliers and subs will have to reduce their margins."

Epoch Properties Inc., Winter Park, Fla., bids more than one job at a time to get better prices from subs, says James H. Pugh Jr. Bates also believes in "talking real earnestly with our subcontractors to get them to hold down costs. We'll also look at the structure of land deals, where the seller participates in financing."

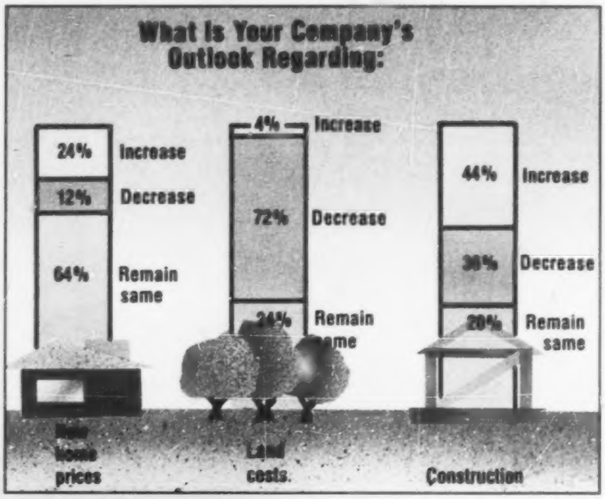
The second checklist summarizes the top 10 incentives Giants are offering buyers this year. Other incentives range from trade ins (where the builder buys the existing home in exchange for the new house) to discounts on early closings.

"The thing that seems to work for us is value—getting the most house for the dollar," says Paul Friedman, Friedman Homes, Rancho Cucamonga, Calif.

Allan Arker of the Arker Cos. says, "Buyers today are too intelligent to go for a buydown on points, because they know what the net effect will be in terms of cash. They're able to calculate the dollar savings in terms of a credit for

Continued on page 20.

Survival tips: pare down inventory and don't build on spec



Giants' Top Ten Strategies For Holding Down Costs

1. Fast-track construction
2. Reduce square footage
3. Provide fewer amenities
4. Build farther out
5. Smaller lots
6. Use factory-built components
7. Cut down landscaping & exterior amenities
8. Reduce land costs
9. Lower overhead
10. Leave models unfurnished

Dave Kohner, Picerne Properties

Continued from page 17.

points, and they'd rather take them as a reduction against the sales price."

The Key Co., Greensboro, N.C., has a referral program. Buyers get a $500 gift certificate for bringing in a new customer, according to John M. Garrity.

Surveyed builders also offered their advice for operating in lean times. "I would recommend aggressively planning for a slowdown sooner rather than later," says Mark L. Frazier, Barratt American Inc., Irvine, Calif. "Sell off land, control starts and anticipate layoffs."

Avoid new land purchases, says Dave Carney of Capital Homes Maryland, Columbia, Md. It may be necessary to take a loss by cutting prices on the houses in your inventory, he says.

Susan P. Corley of Corley Real Estate, Northbrook, Ill., suggested trying to reduce inventory and overhead costs, and advised against building on speculation.

"The key to business is not falling victim to it," says Van Daele. "You have to have a business plan and cash reserves to protect the firm and its employees."

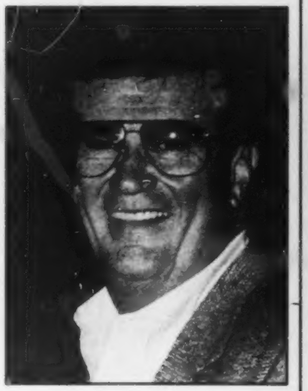
Paul E. Griffin Jr., Griffin Homes, Calabasas, Calif., feels the best defense against lean times is a positive attitude. "Builders have to keep their morale up and know they're going to succeed and that the recession will end," Griffin says. "They must keep up their creativity and entrepreneurial spirit."

But Dave Kohner sees the '90s as a time to be cautious rather than creative: "The computer is going to play a more important part than it ever has. I see less evolution happening with products and more of it with financing. That's where the time will be spent. Equity will drive the new products of the '90s."

John Pollis of Fleetwood Enterprises, Riverside, Calif., one of the nation's largest producers of manufactured housing, urges builders to make more use of factory-built product in a down market.

Pugh advises converting as much of the company's assets into cash as possible: "In other words, make the hard decisions. Let people go if necessary. Builders tend to be optimistic, but that can be their downfall; in hard times, you have to temper that optimism with a dose of realism."

According to Arker, "The key is to minimize inventory or reduce existing inventory. Create



John Pollis, Fleetwood Enterprises

enough cash flow to operate or fund operating expenses to get you through lean times."

Be introspective, says Bates. "Look at it as a challenge that will improve the way you operate. Don't cut back on quality; it's just as important in a bust market as in a boom market, maybe even more so. The most successful builders are the ones who always act as if it's a buyer's market."

By Susan Bady, Senior Editor

■ ACCOUNTING

How To Maintain Good Relations With Nervous Bankers

By Kenneth Leventhal,
Senior Partner,
Kenneth Leventhal & Co.

The S&L crisis is worsening. According to the Government Accounting Office, the banking system may be headed in the same general direction. The GAO says that the FDIC fund for depositor insurance coverage seems woefully inadequate.

The Office of the Controller of the Currency is continuing efforts to cause its member national banks to tighten up their lending criteria and reduce their aggregate loan concentration in the real estate industry. This means that it will be difficult for developers with construction loans to maintain them and continue pre-existing relationships.

Many developers have complex operating structures—bank loan officers have been accused of not adequately understanding them.

Many developers have complex operating structures that use an assortment of entities (sole proprietorships, partnerships, corporations, etc.) The relationships of these entities has been the subject of some criticism from federal and state regulators. Bank loan officers have been accused of not understanding them.

We have some recommendations for developers who would like to maintain their existing lending relationships:

□ Develop a comprehensive package of information about your company.

□ Include an operating history, a track record listing the location, date of development, holding period and status (when sold), and current "audited" financial statements for every entity in the group.

□ Display this information in the most easily understandable fashion available.

In addition, regulators are beginning to ask bankers if they have considered the full scope of debt owed by a particular developer to all other FDIC insured lenders. Accordingly, it would be advisable to include a schedule that sets forth the total magnitude of debt payable to any financial institution subject to FDIC regulation.

The real estate recession seems to be spreading from the Northeast to the West like a wildfire. The Kenneth Leventhal & Company Real Estate Database, which tracks residential and non-residential development on a nationwide basis seems to validate this overall conclusion. It is highly unlikely that additional monies will be available from FDIC insured institutions for such future developments, unless some "pockets of opportunities" can be identified and supported with valuation/appraisal data.

It would appear that we are in for some hard times over the next 12 to 18 months. The best way to cope with them is to reinforce credibility with existing lending institutions.

Pacific Northwest Survives Lumber-Grading Scare

Builders in the Pacific Northwest, particularly those in the Seattle area, are heaving a collective sigh of relief over a lumber-grading scare.

It was first feared that dozens of homes and apartments would have to be torn apart to rectify possible safety problems. But quick action by local building departments, including inspections by structural engineers, turned up only 63 housing units where the misgraded lumber posed a problem, and all but three of those were discovered before walls were closed, enabling a quick fix with double studding.

"There were three apartment units where joists and trusses had been covered over and the surface had to be removed to correct the problem," says Jim Williams, executive director of the Master Builders of King and Snohomish Counties. "But considering our building pace of nearly 2000 units per month here, I think we're talking about a minor problem, not a major one." □

Who Bears The Burden?

(How much Americans pay in monthly real estate taxes)

Less than $25:	14.7 million
$25 to $49:	12.5 million
$50 to $74:	9.1 million
$75 to $99:	6.1 million
$100 to $149:	8.1 million
$150 to $199:	3.8 million
$200 or more:	4.1 million

Source: 1987 American Housing Survey

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PROFESSIONAL BUILDER & REMODELER (ISSN-0885-8020) Vol. 56, No. 3 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $139.95, two years $229.95; Canada/Mexico, one year $179.95, two years $299.95; other countries, one year $195.95, two years $325.95. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800.

INDICATORS

Revised 1991 Housing Forecasts Weaker Than Expected

Single-family starts stabilize; multifamily continues decline.

In spite of lower interest rates and the acknowledged existence of the best "buyers' market" in almost a decade, conditions in the residential building sector of the economy continued to deteriorate at the end of 1990. Levels of both new housing starts and new home sales reached eight-year lows, and building permit values continued to drop, particularly on the multifamily side.

We have recently revised our housing starts forecasts to better reflect the realities of the severe problems continuing to face prospective home buyers and builders alike. Conditions are markedly worse now than just a few months ago because of lowered consumer confidence and weak growth in household income.

Although we expect residential building activity to "bottom out" by the middle of this year, the weak first half will preclude anything but a very slight improvement in total starts. We are forecasting 1.233 million total starts this year, up about 2% from the predicted 1.208 total for 1990. Single-family starts, which showed signs of stabilizing in the final months of last year, should be up about 4.5%. Multifamily starts should decline for the sixth consecutive year.

We expect a combination of still lower interest rates, a slowly improving U.S. economy, and pent-up demand, to begin turning the tide in the second half of the year.

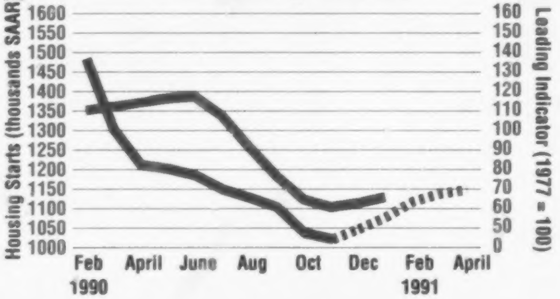
Opportunities Exist Outside New Construction

Although the weakening economy negatively impacted all aspects of the building and construction market in 1990, both residential and light commercial remodeling activity held up much better than new construction.

Through October 1990, the value of permitted new residential construction had fallen by 10.9% and total new non-residential permits were off by a slightly less severe 7.2%, when compared to the same 10 months of 1989. On the other hand, permits for both residential and non-residential additions, alterations and conversions were up—residential by 1.9% and non-residential by 2.2%.

By Daryl Delano,
Cahners Economics

PB&R Leading Indicator

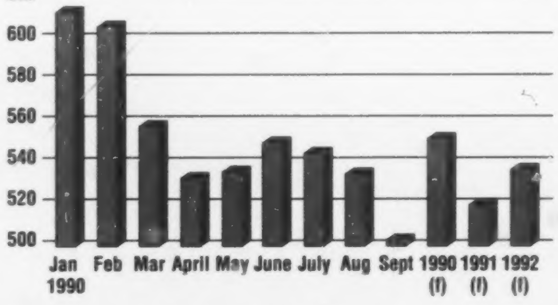


Broken line denotes forecast. Leading Indicator of Housing predicts short-term changes in residential construction over approximately the next quarter. Latest figure is based on February data and includes the Standard and Poor's h-b stock index, 90 day T-bills, bank reserves, consumer confidence index and the ratio of homes for sale to those sold. Prepared exclusively for PB&R by Cahners Economics.

Regional Market Conditions
(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Albany	-20.4%	$101,348	+4.8%	+1.5%
Newark	-24.9%	$116,349	+4.4%	+1.2%
Miami	-32.6%	$81,369	-4.6%	+3.1%
Louisville	+8.5%	$88,224	-27.8%	+3.1%
Houston	+18.2%	$103,751	-6.5%	+3.3%
Detroit	-7.0%	$94,466	-4.8%	-0.8%
St. Louis	-8.6%	$86,730	+15.4%	+0.6%
Las Vegas	+18.6%	$75,504	+37.9%	+8.6%
Sacramento	+5.6%	$129,215	+32.5%	+4.6%

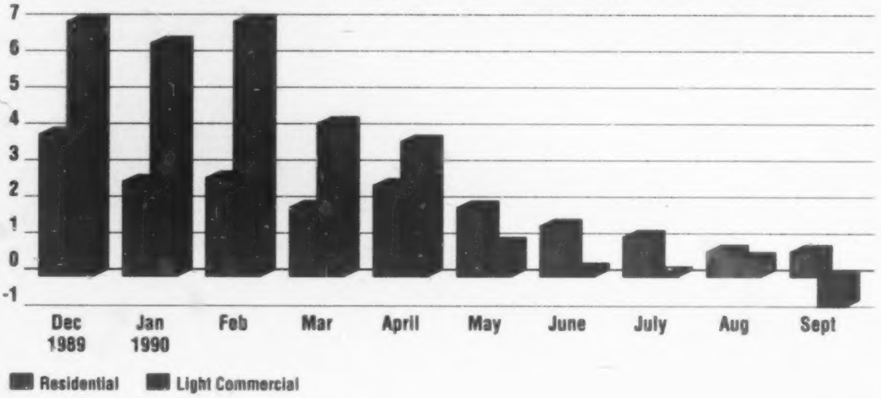
New Single-Family Home Sales



Data reflects seasonally adjusted annualized rates, in thousands.
Source: Department of Commerce. Forecast by Cahners Economics.

INDICATORS

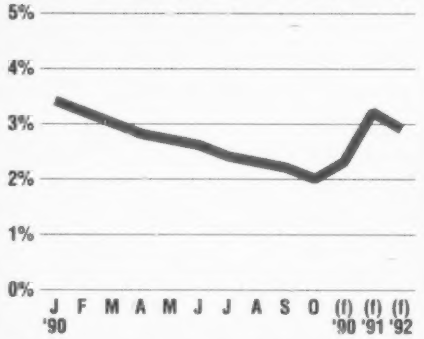
Remodeling Permit Trends: Residential & Light Commercial



Data reflects percent change in 12-month moving totals.
Source: Department of Commerce. Forecast by Cahners Economics.

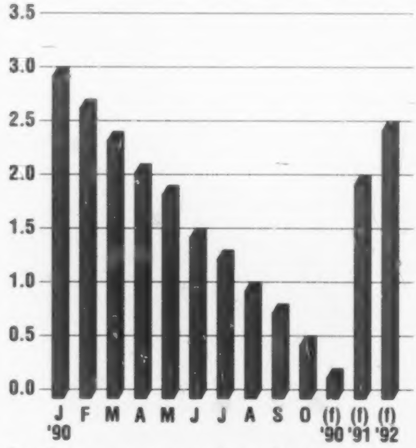
Construction Labor Costs

(Over-The-Year Change In Average Hourly Earnings)



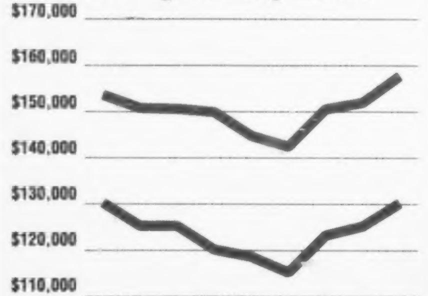
Source: U.S. Department of Labor. Forecast by Cahners Economics.

Construction Materials Price



Data reflect over-the-year change in Producer Price Index.
Source: U.S. Department of Commerce. Forecast by Cahners Economics.

Sales Prices Of New Single-Family Homes



Source: U.S. Department of Commerce. Forecast by Cahners Economics.

Key Trends At A Glance

	Oct 1990	Feb 1990
Total housing starts*	1041	1488
New home sales*	503	606
Remodeling permit trend	+2.2%	+5.2%
Consumer confidence index**	62.6	106.7
Median price of new home***	$115.00	$126.9
Fixed-rate mortgages	10.18%	10.22%
Construction wage trend	+2.0%	+3.2%

* Seasonally adjusted annual rate, in thousands.
** 1985 = 100.
*** In thousands.

Construction Employment Continues To Slide

The weakness in virtually all sectors of the building market is dramatically reflected in recent construction employment trends. In the year ended November 1990, total construction employment nationwide had fallen by 4.2%. General building contractor payrolls had shrunk more than special trade contractor payrolls; employment at general contractor firms had fallen by 6.3%, while special trade contractor employment had about held its own during the downturn.

During November 1990, an estimated 5,169,000 people worked in the construction industry—229,000 fewer than a year earlier. The unemployment rate for construction workers rose from 9.8% in November '89 to 13.6% last November.

Construction Wages, Material Costs Remain In Check

Despite a late-1990 surge in both consumer and producer price inflation—brought on by higher oil prices following Iraq's invasion of Kuwait—inflation in the construction industry remained in check. Weak construction markets have lessened price pressures, as most materials producers are little affected by the run-up in oil prices. The shortage of construction labor—much talked about a year ago—has disappeared in most markets. ☐

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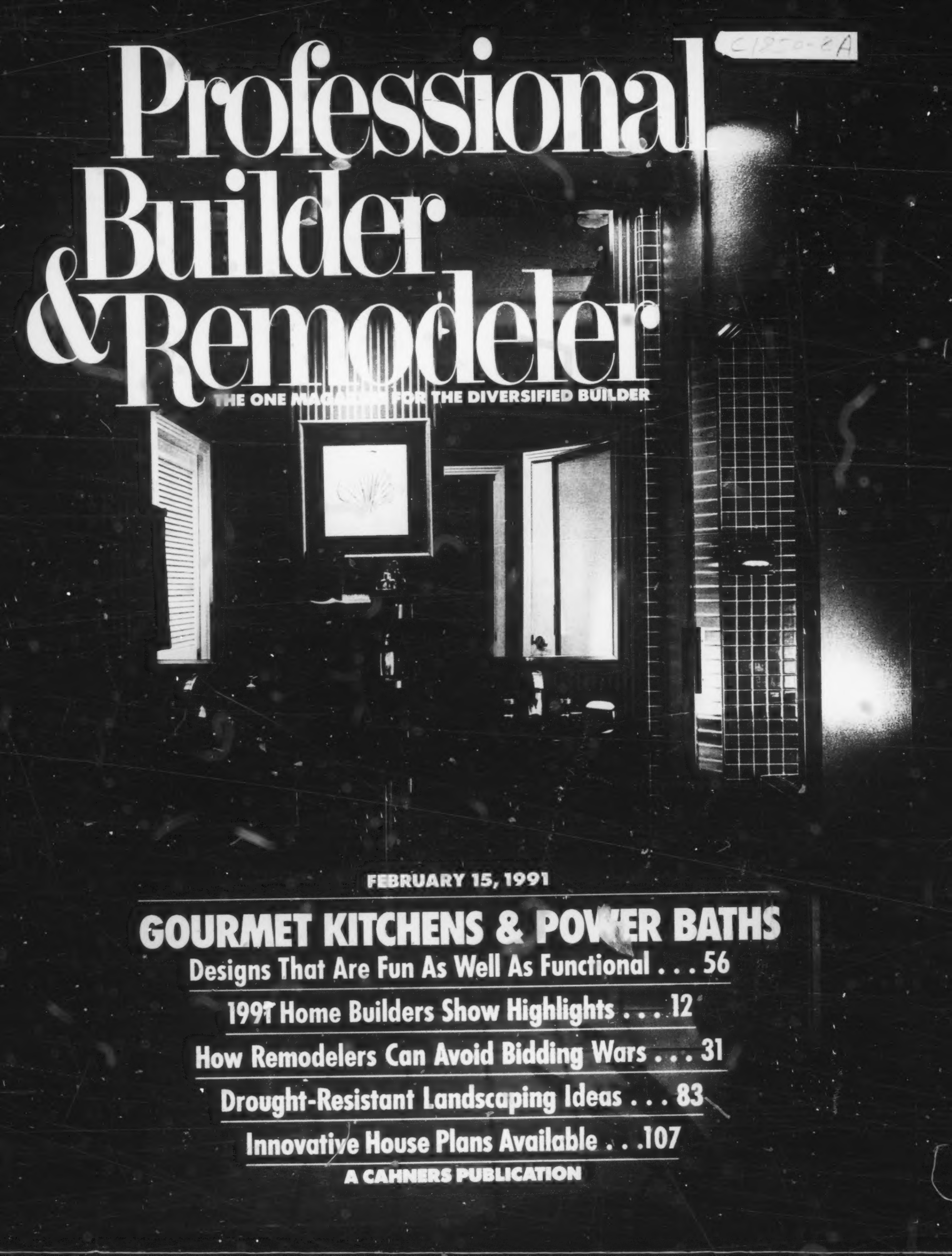

Professional Builder & Remodeler

THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER

FEBRUARY 15, 1991

GOURMET KITCHENS & POWER BATHS

Designs That Are Fun As Well As Functional . . . 56

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Drought-Resistant Landscaping Ideas . . . 83

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A CAHNERS PUBLICATION

Professional
Builder
& Remodeler

THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER

On The Cover

■ This bath in Austin, Texas, was given a distinctive—almost Art Deco—look by remodeler Joe Campbell. The project took seven months and cost $10,000. Photography by Greg Hursley.

A kitchen fit for a gourmet: p.56.

Remodeling comes of age: p. 66.

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Remodeling can do wonders for wet rooms. These projects offer ideas and special touches for discriminating homeowners, transforming mundane places into dream spaces.

Let America Build Part VI: Affordable Remodeling 66

The creeping hand of regulation is reaching into remodeling. Increased approval times, zoning woes, hidden fees and odd codes may not prevent contractors from conducting business, but they clearly make remodeling a costlier investment.

Small Additions, Big Changes 72

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Xeriscaping, an environmental plus: p. 83.

New products for the bath: p. 92.

Business

- Our complete coverage of the NAHB Show includes a look at the new Fannie Mae AD&C financing program, and details on a proposed remodelers' lead-dust study. Coverage beings on *page 12.*

Markets

- MaryMark Homes is replicating the stately Porte Cochere home and meeting with great success: *p. 25.*

Management

- How does a remodeler build good rapport and establish trust with a customer? Experts say an ethical approach is a must: *p. 31.*

Marketing

- The J. Duncan Brock Builder company is broadening its market reach and enhancing its image by using an inhouse magazine: *p. 47.*

Technology

- Xeriscaping is an alternative to traditional landscaping that offers a solution for areas hard hit by water shortages. Savings up to 30% have been achieved, in fact: *p. 83.*

Next Issue

- In the March 1 issue, we feature the housing starts leaders for the year, and examine the politics of no-growth movements.

DEPARTMENTS

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■ REAL ESTATE DYNAMICS

Key Survival Tips Motivate The Small Builder

Sanford R. Goodkin, Executive Director, KPMG Peat Marwick/ Goodkin Real Estate Consulting Group

Here is my survival check list for the smaller builder who means to survive.

1. Talk with key personnel away from the office. If you have a spouse, put aside your ego and include them in the discussions. Partners need to be trusted with all that is happening in the business.

2. Take all salespeople, or the outside brokers who are assigned to you, and their manager to a retreat. Ask them to come up with ideas for: sales promotion, the sales office layout, sales tools and product; anything that can be changed fast.

3. Have a professional look at your fiscal health. Let them look at operating statements, costs and cost control, land/home ratios, draws and profits, wages and incentives, plus overhead. Have them prepare a written report so that you can see where you are, what you have. Then you can sit down with a trusted adviser and make plans for the future. The plan should cover: staying in business, merging with another entity, gaining more capital and venture money.

Survival is more than turning over merchandise. It is like a good marriage; the fire in the heart never dies.

4. Take a serious look at your marketplace. Review what you have built and done the past three years. Get your building and sales history on a spreadsheet. Do not kid yourself. This is the time for a complete checkup.

5. Get out into the marketplace. Look at product, including what is for sale in the resale market—your true competition. Ask a reliable broker to show you resales over the past year that are roughly comparable with your normal pricing. Examine them with a written checklist. Compare them room-for-room with yours. See what you can learn. Check on how they got financed.

6. Look at product evolution. What designs have sold? How important was pricing, design? Have you been behaving like an artist or a builder? Have you designed for the market or yourself? Get someone with intuitive, feminine judgment to look things over, also. If you aren't using one now, have an architect review your current and future designs.

7. Now, you are ready for a management plan that lays out your next operating year. Get it in writing. Concentrate on it. What does it teach you about yourself, your product, your marketplace?

Reality is the absolute focus on how the marketplace is treating you and what key people think of your working environment.

The truth may be painful, but it is the only thing that will make you really good.

Survival is more than turning over merchandise. It is like a good marriage; the fire in the heart never dies.

Rigorous Cost Controls Advised

Stating that workers' compensation costs have doubled in the last five years, Jerry Miccolis, head of Tillinghast's workers compensation, says employers must impose rigorous controls.

Tillinghast, a New York City-based consulting company, surveyed companies nationwide. General contractor respondents noted that their major problem with the system related to attorney involvement in claims, and the widening definition of injuries. The top cost-controls being considered included safety, programs, claims audits and pre-employment screening. □

Contractors Poll:

Could workers' comp costs threaten financial results?

A great deal	26%
Somewhat	53%
Not much	18%
Not at all	3%

Cardinal To Reorganize Under Chapter 11

Cardinal Industries, once the nation's second largest residential builder and the largest producer of modular housing units, is reorganizing under Chapter 11 of the U.S. Bankruptcy Code.

The Columbus, Ohio-based company is ceasing modular production and will focus on its property management operations and general partnership interests. □

AD INDEX

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PROFESSIONAL BUILDER & REMODELER (ISSN-0885-8020) Vol. 56, No. 4 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $139.95, two years $229.95; Canada/Mexico, one year $179.95, two years $299.95; other countries, one year $195.95, two years $325.95. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800.

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INDICATORS

Signs At Year End Suggest We've Reached The Bottom

Following several consecutive months of new residential building activity pointing downward, things began to look up as 1990 drew to a close. November numbers for a host of important indicators were modestly better than in previous months, suggesting that new residential construction had finally troughed.

Total housing starts during November turned up for the first time in 10 months. It should be noted, however, that the good news here was tempered by the surprisingly sharp decline in single-family home construction, even as multifamily activity surged.

☐ New one-family home sales increased in November for the first time in five months. At the same time, builder inventories of unsold homes continued to fall. During November, a 7.8 months supply of homes were for sale—the lowest level recorded since early last spring.

☐ Existing home sales bounced back during November, following a few months of extremely sharp decline.

☐ Mortgage interest rates have fallen steadily in recent months, and the Federal Reserve has finally moved decisively to ensure that credit will be more affordable to both businesses and consumers during this economic downturn.

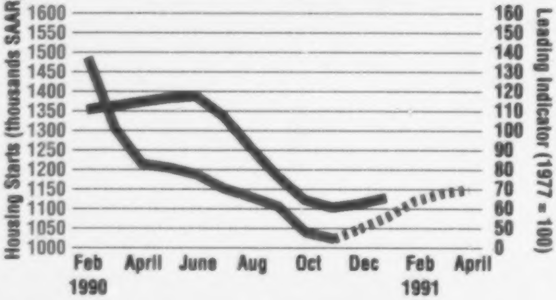
These are all positive developments for the housing market. The important "wild card" for the housing market—and for the U.S. economy in general—remains how and when the crisis in the Middle East is resolved. ☐

Regional 'Pockets Of Strength' Out There

National data, by its very nature mask the differences between regions and metropolitan areas around the country. The construction industry depends upon local economic conditions, demographic and population trends, and other factors which 'average out' nationally.

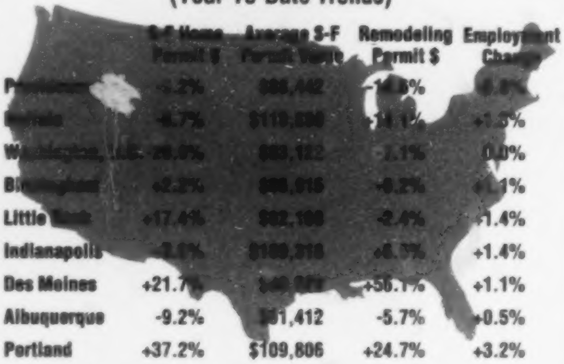
'Pockets of strength' include some of the metropolitan areas included in the accompanying table. During a period in which double-digit declines are being recorded, three of the nine areas in this month's table have actually recorded double-digit gains. Portland, Des Moines and Little Rock clearly have residential markets much healthier than the national norm, and two of these areas have also recorded large gains in the value of remodeling permits. ☐

PB&R Leading Indicator



Broken line denotes forecast. Leading Indicator of Housing predicts short-term changes in residential construction over approximately the next quarter. Latest figure is based on February data and includes the Standard and Poor's b-b stock index, 90 day T-bills, bank reserves, consumer confidence index and the ratio of homes for sale to those sold. Prepared exclusively for PB&R by Cahners Economics.

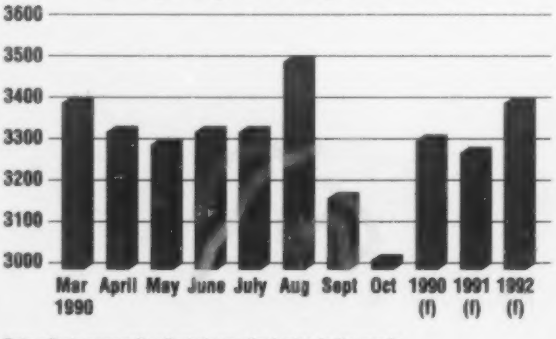
Regional Market Conditions
(Year-To-Date Trends)



	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
[illegible]	-5.2%	$98,442	-14.6%	[illegible]
[illegible]	-6.7%	$119,[illegible]	+14.1%	+1.5%
Washington, D.C.	-26.0%	$93,122	-7.1%	0.0%
Birmingham	+2.2%	$96,915	-6.2%	+1.1%
Little Rock	+17.4%	$82,198	-2.4%	+1.4%
Indianapolis	[illegible]	$109,318	+6.5%	+1.4%
Des Moines	+21.7%	[illegible]	+56.1%	+1.1%
Albuquerque	-9.2%	$[illegible]1,412	-5.7%	+0.5%
Portland	+37.2%	$109,806	+24.7%	+3.2%

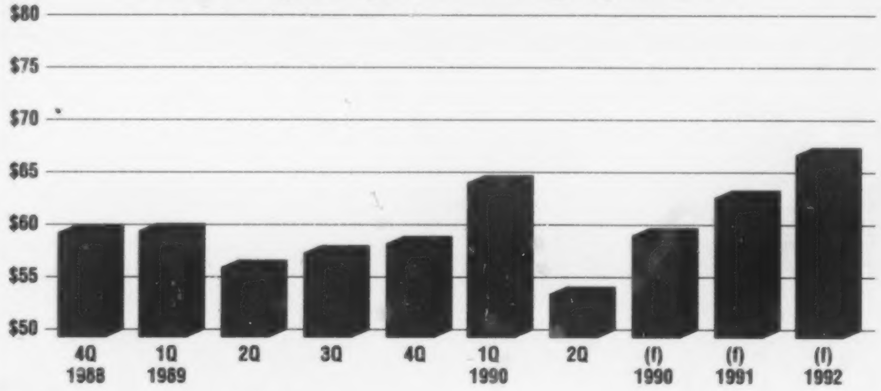
Sources: U.S. Departments of Commerce and Labor.

Existing Single-Family Home Sales



Data reflects seasonally adjusted annualized rates, in thousands.
Source: National Association of Realtors. Forecast by Cahners Economics.

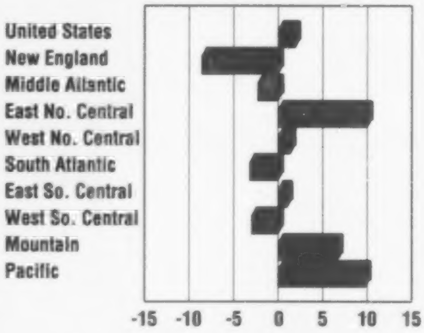
Consumer Spending On Remodeling/Improvements



Data reflects seasonally adjusted annual rates, in billions of $.
Source: Department of Commerce. Forecast by Cahners Economics.

Remodeling Permit Value Trends

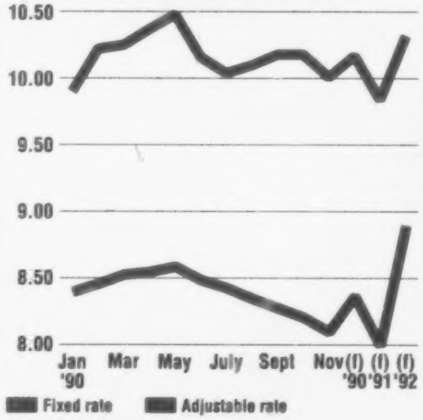
(Year-To-Date 1990 vs. 1989)



Source: U.S. Department of Commerce.

Mortgage Interest Rates

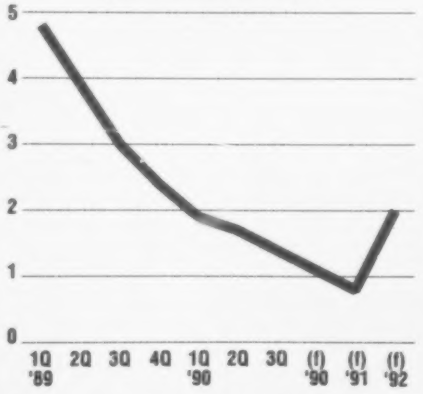
(Monthly Average)



Source: Federal Home Loan Mortgage Corp.
Forecast by Cahners Economics.

Growth In Real Disposable Personal Income

(Over-The-Year % Change)



Source: U.S. Department of Commerce. Forecast by Cahners Economics.

Key Trends At A Glance

	Oct 1990	Feb 1989
Total housing starts*	1041	1488
New home sales*	503	606
Remodeling permit trend	+2.2%	+5.2%
Consumer confidence index**	62.6	106.7
Median price of new home***	$115.0	$126.9
Fixed-rate mortgages	10.18%	10.22%
Construction wage trend	+2.0%	+3.2%

* Seasonally adjusted annual rate, in thousands.
** 1985 = 100.
*** In thousands.

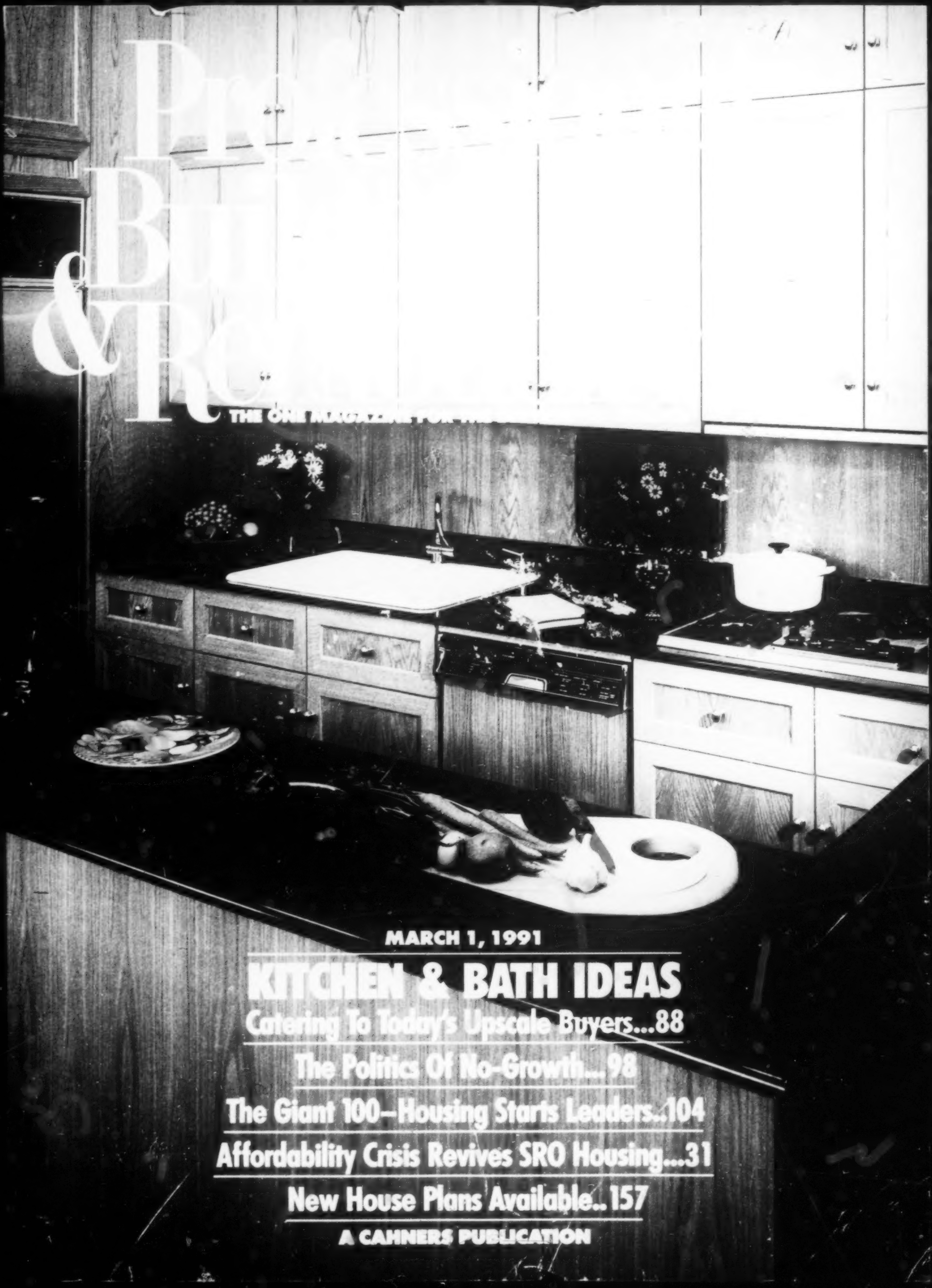
Declines Accelerate In Light Commercial Construction

As we see the first glimmering signs of improvement in residential construction, light commercial construction activity continues its relentless slide downward. Overall nonresidential building activity held up during 1990—only because of continued gains in industrial construction spending and a variety of publicly funded projects. Commercial construction—office buildings, hotels/motels, and retail/service establishments—was a different story.

The total value of commercial construction put-in-place during 1990 was about 10% below the 1989 level, after accounting for inflation. Particularly disturbing was the trend—over-the-year declines grew progressively larger during the final months of 1990. Indications were that the office sector had troughed, however, both the hotel and retail sectors were in virtual free-fall as 1990 wound down.

We expect that improvement in the light commercial sectors will be a long time coming. Problems of overcapacity persist and the "credit crunch" has hit this group much harder than others. With a turnaround in business and consumer confidence likely later this year, and at least small gains in service sector employment continuing even in the face of recession, the office sector should be the first to stabilize and move haltingly ahead. □

By Daryl Delano, Cahners Economics



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THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER

On The Cover

■ This kitchen in a Brooklyn Heights, N.Y., brownstone was part of a $175,000 renovation accomplished by Jota Construction. The Design was by Manhattan architect Ronette Riley and Robert Henry. Photography by Otto Baitz.

Bath designs with sales sizzle: p. 88.

The S&L outlook: p. 16.

FEATURES

Kitchens & Baths For Today's Buyers 88

Here's a rundown on the latest design trends in both new and remodeled homes, as well as key marketing data from our exclusive survey of consumer buying practices.

Let America Build Part VII: Sensible Growth 98

When growth is perceived as decreasing the quality of life in a community, opposition to development is bound to be virulent. But it doesn't have to be that way.

1990 Housing Starts: The Giant 100 104

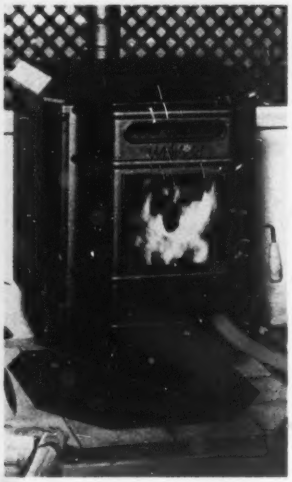
According to our fourth annual survey, Trammell Crow Residential is once again the nation's housing starts leader.

Understanding Barrier-Free Design Standards 110

March 13 is the date for compliance with HUD's new accessible housing standards, although there is uncertainty as to precise requirements. Here are some guidelines.

MARCH 1, 1991

Removing regulatory barriers to building: p. 98.



Latest fireplace designs: p. 132.

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Business

■ Are S&Ls obsolete? In the wake of the finance crisis, housing may lose this specialized lender: *p.16*.

Markets

■ In key metropolitan areas, SRO (Single-Room Occupancy) housing is making a comeback as safe, decent shelter for the working poor: *p.31*.

Management

■ A dozen of the country's best production builders meet twice a year to network ideas. An exclusive look at "The Group": *p. 51*. A Memphis-area builder uses a computer to manage follow-up correspondence: *p. 54*.

Marketing

■ What's in a project name? A lot, and here are some tips on choosing wisely: *p. 63*. By matching contributions up to $3000 a year, a Chicago builder helps young couples save for downpayment: *p. 68*.

Technology

■ Prefabricated product is helping to alleviate Israel's housing shortage, a promising market for U.S. builders: *p. 119*.

Next Issue

■ Look for "Designs From The South" in the April 1, 1991 issue, as well as stories on effective public/private partnerships and successful remodeling projects.

■ REAL ESTATE DYNAMICS

Can You Be Both A Leader And A Manager?

By Sanford R. Goodkin,
Executive Director
KPMG Peat Marwick
Goodkin Real Estate
Consulting Group

This is the time for short-term focus. Ask yourself, if you are small, "Are you or can you be both leader and manager?" If you are asking for money, you must prove it to those who have it.

As you examine your survival course, prepare a business plan strategy that can be used for both self-examination and as a presentation to money sources.

I. Introduction: This is a narrative background of the company's reputation among consumers and lenders, market niches served, new market opportunities, along with the manner of reaching them. It gives the background leadership of the company and its strong points.

> **A business plan strategy is also a process of discipline that every small or large company needs. It whips up your firm into a jelling action machine that sets a reachable logical course.**

Small builders should express themselves so there is some insight into their personality and strength of commitment to the future. This should never be a desperate call for action.

II. Mission Statement: Why is this company in business? How will it satisfy a need in the marketplace/community?

III. Summary of Current Business: This should state facts about the target market(s) including product mix and price ranges. This should use sophisticated language even for a smaller builder.

IV. Summary of Marketplace: This should be very organized and formal. It is the justification for seeking associates, debt and venture capital. It should include historic background on your geography, a current review of action and trends. Remember that you are trying to prove that you have insight into the future. I suggest using a professional firm to assist you.

V. Definition of Strategy: Give the philosophy of the firm; create a comfort zone for the reader. It also can differentiate you from other builders or vendors. Strategy also should illustrate flexibility, capability to deal with surprises.

VI. Identification of Company's Capabilities: Management leadership and resources (experience), financial capabilities.

VII. Company Needs: New financing, expansion or implementation capital, increase or decrease of overhead, training to increase skills, office or control modernization. Beware of appearing to be just a risk-taking entrepreneur.

VIII. Competition: Show knowledge of competitive factors. Identify the steps needed to meet or dominate.

IX. Short Term/Long Term Goals: What paths must the company follow to be successful in the near and foreseeable future? Project future growth and opportunities. Create a monitoring system so you can measure results.

Stress Lifestyle When Selling To Seniors Market

There are no magic formulas for selling housing to seniors that aren't true for other markets as well, according to Barbara Krueger, Motivational Systems Inc., National City, Calif. While the purpose of the sales center is to greet, qualify and romance the customer, for seniors, the center is critical to selling "lifestyle."

An area map is particularly important in this regard. For seniors, it should be on a scale large enough to suggest amenities that are within walking distance. It should be placed on a north wall, Krueger adds, so that people can properly orient themselves.

She suggests that builders can offset the cost of the map by getting a local advertiser to sponsor it. That way, a builder can have a wall map as well as a handout.

What Seniors Want Nearby

Grocery store	85%
Drug store	59%
Hospital	49%
Public transportation	39%
Seniors center	26%

Source: American Association of Retired People

Experts also stress that photos of people enjoying the lifestyle bring the map alive because prospects want to imagine the people pictured as their neighbors. Showing gray hair and wrinkles is okay, they say, although those pictured usually tend to be about 10 years younger than most residents. ☐

[illegible]

Wet Rooms That Cater To Today's Buyers

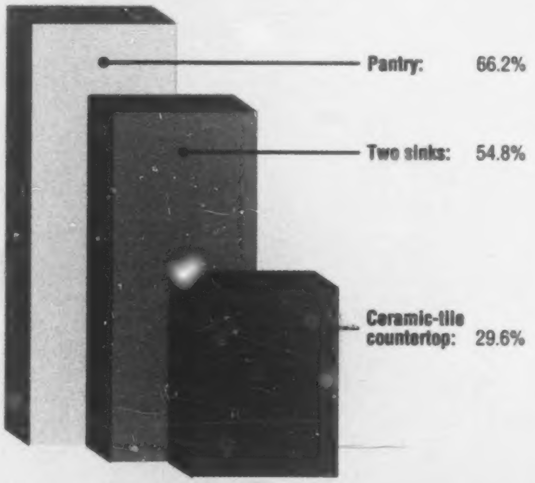
By Andrea LaFreniere, Staff Editor,
& David Heinly, Senior Editor

Upgrading a 70-year-old home yielded this enlarged kitchen, left, the focal point of the total renovation, featuring up-to-date appliances, cabinets, a plant shelf, counter space, and center island.

The home is one of 20 older, 3500-square-foot units in Fitzrandolph, N.J., renovated and retained as faculty housing for Princeton University. They are sold to faculty by the university and repurchased when vacated.

Cost of this complete house renovation was $150,000. Architect is Kehrt Shatkin Sharon.

Kitchen Features Consumers Want As Standard



Source: 1991 PB&R Consumer Survey

Builder is E. Allen Reeves Inc., of Abington, Pa.

Ample daylight through a wide window and skylight add volume ambiance to a modest bath in this move-up home in Hopewell, N.J., shown below.

Planned with ideas gleaned from consumer focus groups, the home is one of 21 units between 1700 and 2500 square feet in the 9.7-acre infill project of Hopewell Woods.

Architect is W. Charleroy. Builder is Peter Blicher, Pennington Properties. Interiors are by Sara Olesker, Chicago.

Photo: Scott Frances

Compact Rooms Become More Usable After Astute Rehabbing

Photo: Scott Frances

A small guest room bath, at left, gained a look of elegance and cheer in this whole-house remodeling of a 30-year-old Pebble Beach, Calif., home.

Among the constraints was the need to design bath elements that could fit around an existing shower site. The remodeling contractor was Art Hovanitz, working with a design and interiors created by Susan Britton Designs. The cost of the entire renovation was $150,000.

Right, handmade ceramic tiles from a local source accent the base of the built-in banquette seat, as well as the plant shelf brackets in the breakfast area of the kitchen in a new home at Hopewell Woods.

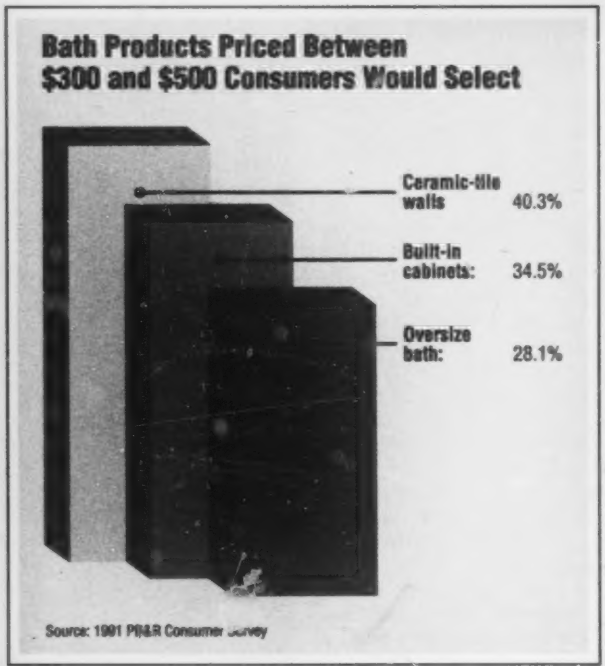
A half-wall behind the space-saving banquette plus the decorated overhead beam help to define the kitchen area.

The builder is Peter Blicher, Pennington Properties. The architect is W. Charleroy, with interiors by Sara Olesker.

Opening the kitchen and dining area into a single large room, photo lower right, yielded both space and flexibility for an extended counter with an angular dining peninsula in a 35-year-old home at upscale Mercer Island, a suburb of Seattle.

A garden window and overall orientation of the room elements offer a full view of Puget Sound.

This remodeling was done by Jerry Hilzinger and Kimithy Nagel of Kitchens for Dream Homes, Kirkland, Wash. The cost was $40,000. □



Source: 1991 PB&R Consumer Survey

Photo: Roger Turk, Northlight Photography

Luxury Wet Rooms Reflect Trend To Special Features

Photo: Otto Baitz

Photo: Ed Chapel

This kitchen, at left, was a major element in the $175,000 renovation of an entire 1300-square-foot flat in a turn-of-the-century "Brownstone" in Brooklyn Heights, N.Y.

The kitchen alcove, which was retained from an earlier conversion, was opened and reframed along the wall behind a center island counter.

Original moldings were matched in an effort to restore a period look. The contractor, Jota Construction, used a design that was created by Manhattan architect Ronette Riley and Robert Henry.

An exercise room adjacent to the spacious master bath, lower left photo, evinces a continuing movement to special features in upscale luxury housing. It is part of a 5200-square-foot, million-dollar custom showcase home at Bay Colony, Naples, Fla.

Curving glassblock walls, a step-up spa tub and the separate shower are all flooded with Florida sunshine.

The home was built by Coastland Development using a design created by Bloodgood, Sharp & Snider. Interiors were done by Richard Plumer Design of Miami.

A second-level addition to this single-family home at Pebble Beach, Calif., photo right, included a luxury his-and-her bath with twin tubs, vanities and closets that are separated by a shower room and pony wall.

Art Hovanitz was the remodeler. The interiors were by Britton Designs. □

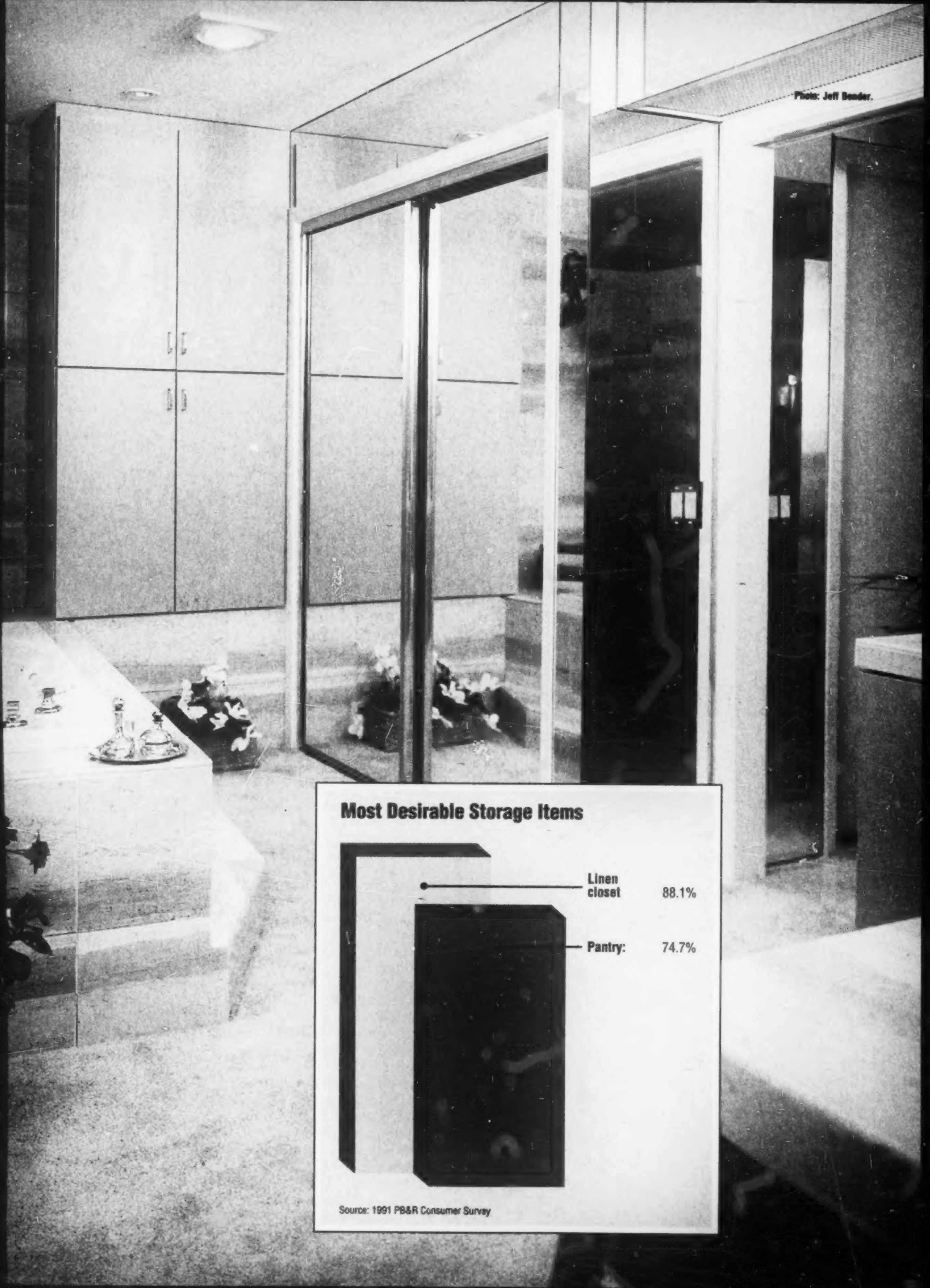


Photo: Jeff Bender.

Most Desirable Storage Items

Linen closet 88.1%
Pantry: 74.7%

Source: 1991 PB&R Consumer Survey

Professional Touches Attract Smart Buyers

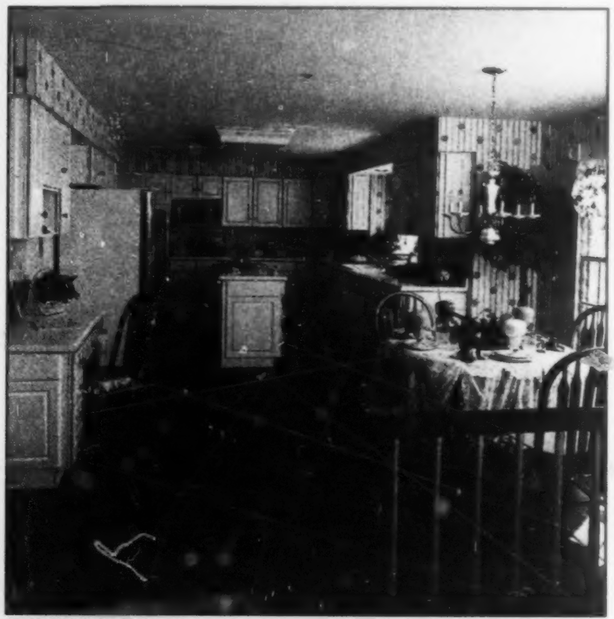


Photo: Rick Sistos Photography

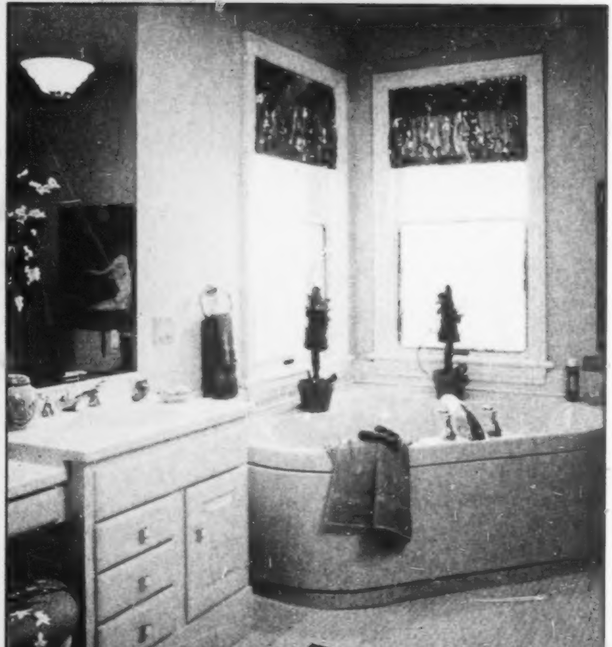


Photo: Carl Shuman

Top left, classic colonial design distinguishes the country kitchen of Model 531 at Glenstone, a community of upscale homes in Long Grove, Ill. Landmark Homes incorporated luxury features such as white appliances, a center island with cooktop and a planning desk into the kitchen.

A boxed-out window above the sink provides a place for growing plants or herbs. Set into a triple window arrangement, the breakfast area looks out onto a deck. B. Morris & Co., Chicago, was the interior merchandiser.

Left, stained-glass windows designed by an area artist mark the master bath of The Douglas model at Regents' Glen, York, Pa. Built by WIL-MAC Corp., the luxury bath includes a two-sided gas fireplace, ceramic-tile floor with decorative inlay, corner whirlpool tub and a separate shower. The double-bowl vanity, surfaced with Corian, is coved for easy cleaning. Design Ideas Inc., Lancaster, was interior merchandiser.

Right, this custom kitchen in Mason City, Iowa, was built by Henkel Construction Co. Fit for a gourmet, the kitchen features professional appliances, two sinks, work island and a skylight. Taupe laminate cabinets are trimmed with ash wood. Corian countertops and a cherry parquet floor complete the design. Architect was Joseph Chauncey, AIA. Interior designer was Suzanne Klotz-Johanson. □

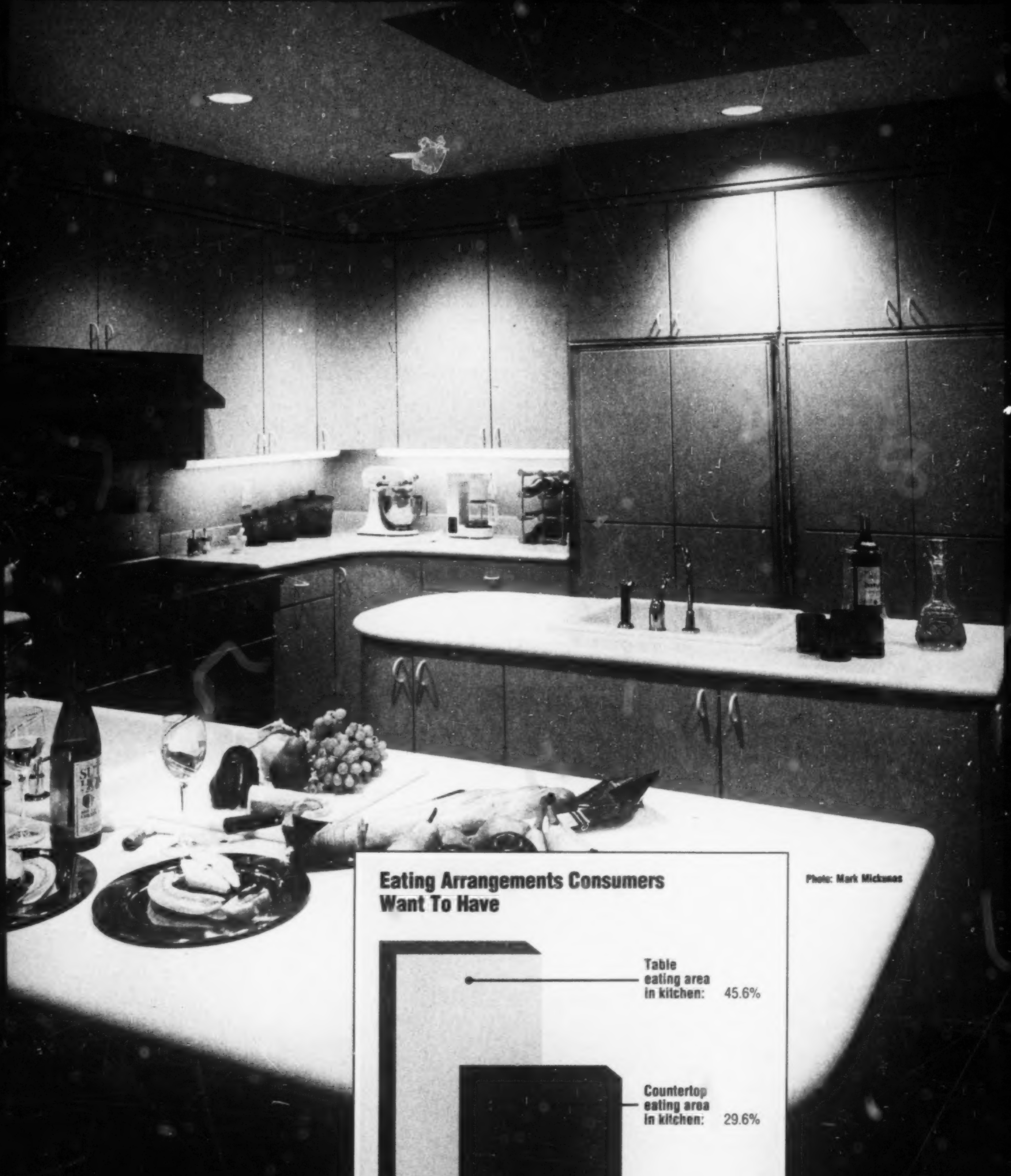


Photo: Mark Mickunas

Eating Arrangements Consumers Want To Have

Source: 1991 PB&R Consumer Survey

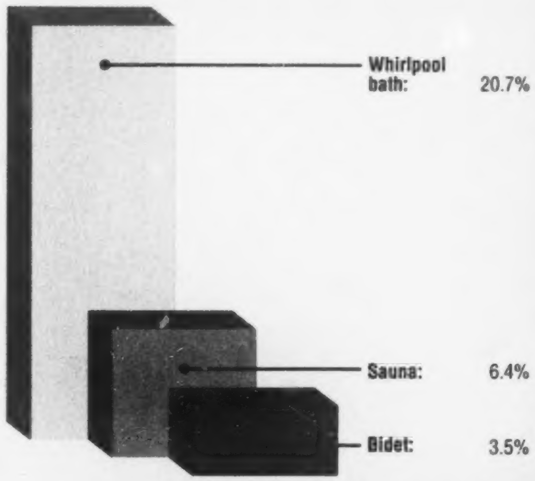
Islands, Tubs Make Wet Room Oases

Far right, inset, the island kitchen of Plan 3 at Montilla, Rancho Santa Margarita, Calif., is decorated with mallet-green tiles, an upgrade offered to move-up buyers. Cooking conveniences include island cooktop, double oven and separate microwave. Built by J.M. Peters Co. Inc., the kitchen, breakfast nook and family area act as one room. A curved bay window surrounds the breakfast nook, which looks onto backyard, swimming pool and spa. Architect was Richardson Nagy Martin, Newport Beach, Calif.

Opposite right, this master bath is a hot button in Landmark Homes' Model 531. Bordering the large windows are the builder's trademark, 5-inch fluted wood casings, accented by plinth blocks carved with rosettes. Cathedral ceiling, oversized whirlpool tub, sit-down double vanity and two walk-in closets make the bath all the more grand. The water closet is concealed by a half-wall. The shower is an oversized, 4-foot-wide model.

Right, the master bath in the $354,900 Churchill model at Prancing Horse Farm, Collegeville, Pa., makes the most of custom cherry cabinetry. Angled his-and-her vanities flank the whirlpool tub. Mirrored doors lead to his-and-her walk-in closets. The bath comes complete with a vaulted ceiling. Architect was Womack-Humphreys, Dallas. Louis Tyler Associates, Bethesda, Md., was interior merchandiser. □

Bath Products Priced Between $1600 and $2000 Consumers Would Select



Source: 1991 PB&R Consumer Survey

Photo: Rob Ikeler

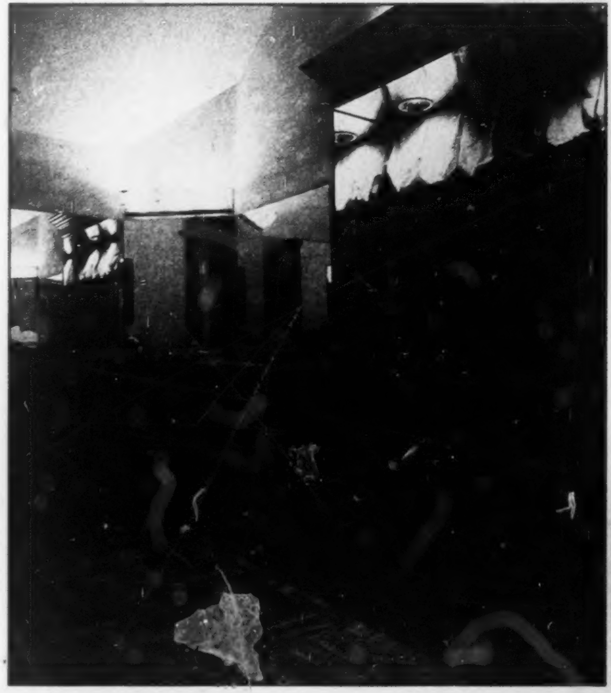


Photo: Rick Sloss Photography

Let America Build

☑ Say Yes To Sensible Growth

Let America Build: Part VII

If growth decreases the quality of life in a community—traffic snarls, overcrowded schools, etc.—opposition to development is bound to be virulent. But it doesn't have to be that way. Growth used to be seen as a universal good. And it can be that way again . . .

By William H. Lurz, Senior Editor

When builders compare notes on the problems they face in different parts of the country, opposition to the growth of their communities usually tops the list.

It comes as no surprise then that a recent survey of builder/readers—conducted by *PB&R*'s Bureau of Building Marketing Research—showed 78% of respondents face organized political opposition to growth in the communities where they build.

The sight of builders facing off with opponents to growth in public meetings and in the pages of local newspapers is now so familiar that we may lose sight of the fact that it is a relatively recent phenomena. Home ownership had always been a sacrosanct value in American society, and throughout most of our history, a proposal to build a new neighborhood of homes was a cause for celebration.

What happened in America over the last decade and a half to change builders from heroes into villains?

The answer is probably guilt by association. In suburbanized America, new neighborhoods are more likely to be linked in the public mind with the problems of increasing automobile traffic, overcrowded schools and burgeoning tax bills.

Many changes have occurred in this country over the last 10-15 years to create the impression that building houses creates problems and decreases the quality of life in a town. Probably most important, as a nation we stopped investing in public works—infrastructure—such as roads, expressways, bridges, sewer and water treatment plants.

Underfunding of America's infrastructure investment for the decade of the 1990s has been projected by the Congressional Budget Office at $240 billion. The Joint Economic Committee of the Congress places the shortfall at $448 billion. The Urban Land Institute estimates that maintenance costs alone will add up to $860 billion over the next 15 years.

"No-growth movements feed on infrastructure underfunding," says Lansing, Mich., attorney David Lick. "Declining quality of life is directly linked to reduced infrastructure spending."

Lick, who is considered a leading authority on public/private partnerships for the development of major capital projects, points to Eastern Europe as an example: "The air is toxic. The water is polluted. They have virtually no disposable waste systems. What's the result? Inefficiency, lack of productivity, the inability to grow and a quality of life we would never tolerate.

"If we turn our backs on the need to maintain and improve our infrastructure," he adds, "we can look forward to a declining ability to compete in the international economy, and consequent declines in our quality of life."

The causes behind the underfunding of infrastructure are complex, involving political choices at every level of government. Investment in public works by all three levels of government—measured in constant (1972) dollars—peaked in 1968, according to Isaac Megbolugbe, a senior housing policy analyst for NAHB. Public capital investment fell 30% between 1968 and 1980.

Then the Reagan Revolution kicked in. In 1981, the federal government picked up the tab for 43 cents of every dollar spent on public works. By 1989, that contribution

Let America Build

California's Prop 13 Tax Revolt Triggered Shift In Public Policy Direction

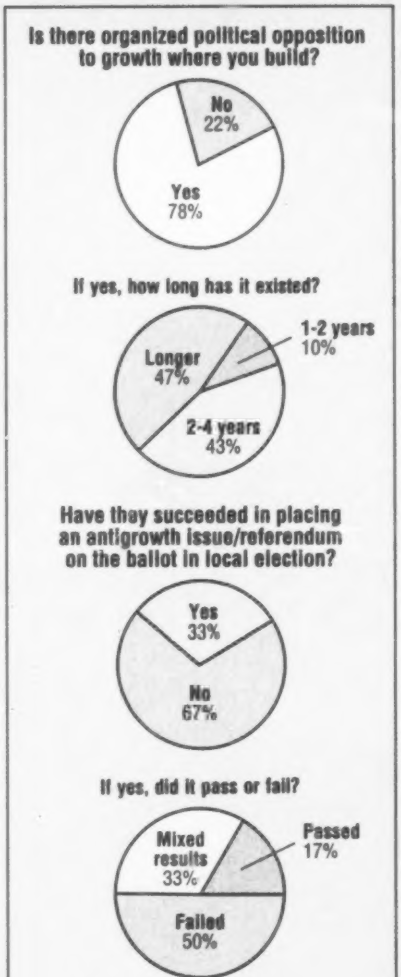
was down to 27 cents. The Tax Reform Act of 1986 cut tax-exempt bond financing and revenue-sharing, which had been a $4 billion a year program for local governments.

Capital spending was also a much larger portion of state and local budgets in the 1960s and '70s. "Public works were *the* focus then," says John Petersen, director of the Washington, D.C.-based Government Finance Research Center. "Over the last 20 years, much more funding has been directed into transfer payments—which are politically sensitive."

According to Steven Hayward, director of state and local policy studies at a California think tank, The Claremont Institute, the carrot of federal funding led even that change. "Various landmark federal statutes . . . compelled state and local governments to follow along and adopt new social priorities as their own," Hayward writes in *A Primer on the Growth Controversy in Florida*. "(They) shifted resources away from basic public works such as highways to 'social' needs—essentially transfer payments—and education."

The taxpayer revolts of the 1970s, culminating in California's landmark Prop 13, further limited municipalities in their funding options. "We've had a massive shift in public policy," says Denver builder Paul Barru. "Infrastructure used to be the responsibility of the larger community, and growth was seen as a common good. Now voters exercise political muscle against anything that touches taxes."

With federal funds disappearing, and politicians at every level disassociating themselves from any new tax, local governments began a desperate search for ways to shift capital spending to politically expedient funding sources.


Is there organized political opposition to growth where you build?

If yes, how long has it existed?

Have they succeeded in placing an antigrowth issue/referendum on the ballot in local election?

If yes, did it pass or fail?

Special tax and assessment districts, development fees, impact fees, exactions, annexation agreements and cash proffers are just a few that have come into vogue. All use builders and land developers as convenient intermediaries to shift the burden of funding capital improvements away from local voters to future residents—who have no local vote until *after* they buy a home.

According to Petersen, 40% of capital spending by local governments in California is now financed by developer fees, while 15%-20% is the norm for other high-growth areas of the country.

The trouble with dropping the burden of infrastructure finance on builders and home buyers is that it has disastrous effects on housing affordability, and simply does not work for the comprehensive, regional-scale improvements desperately needed in high-growth areas.

In *The American Nightmare: How Government Regulation and the No-Growth Movement Are Destroying Home Ownership in America*, author Gary Hull calculated the effects of development regulations in 1988 on Southern California housing affordability. He pegged the free-market cost of a standard 1800-square-foot house on a 4500-square-foot Orange County lot at $132,000.

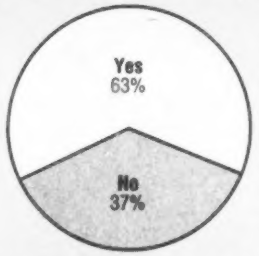
Hull calculated other costs: processing delays added $38,000; permit conditions added $10,000; building codes $13,000; zoning $30,000; and impact fees and exactions $19,000. The market cost ended up at $242,000—beyond the reach of all but a fraction of the population.

Fees added to the price of a home are a form of regressive taxation, since they are charged on a per-unit basis, but represent a higher percentage of the price of a small house than a larger one. That being true, builders are driven to produce even larger homes in an effort to deliver maximum value.

No wonder young families flock to the more affordable Riverside County, spending four hours per day commuting to jobs in Los Angeles or Orange Counties. Traffic congestion has supplanted crime as the No. 1 public concern in California.

Austin, Texas, was a hotbed of slow-growth politics during the early 1980s. Texas builder Doyle Wilson now reports that Austin has dropped its water and sewer impact

Do you face lot size restrictions you consider as exclusionary zoning?



If yes, what is the smallest lot size permitted without a special exemption?

6000 square feet, on average

In California, 40% of capital spending by local governments is financed by developer fees, but the consequences on housing affordability have been disastrous. Less than 20% of households can afford the median price of $194,821.

fees from $3403 to $1571 per housing unit, and suburban Round Rock reversed its trend by dropping a similar fee from $6384 to $4534, all to stimulate growth.

Soaking builders with impact fees does not solve growth-related problems. What does work is a cooperative search for infrastructure funding and demand reduction solutions by all levels of government and the private sector.

States may offer the best hope for increased funding for infrastructure. They are not hamstrung by deficits, and generally have a vested interest in job creation.

Although many states are already creating growth management umbrellas, few have provided the new revenue sources municipalities desperately need. Florida is the state to watch on this count. Its Growth Management Act of 1985 requires comprehensive planning by municipalities, including capital facilities budgets to meet infrastructure needs. The law requires that infrastructure capacity be available or under development to meet mandated levels of service before building permits are issued. This "concurrency" provision threatens to trigger automatic building permit moratoria as Florida's rapid growth eats away at levels of service.

The state was supposed to create new funding sources for local governments to allow infrastructure to pace development. It has yet to happen.

On a more positive note, the capacity of local governments to borrow for capital improvements is enhanced at the state level. Bond banks to facilitate local infrastructure projects have been created in many states. Some issue their own bonds, using the state's more favorable credit rating, then lend the proceeds to local governments. Others pool groups of local debt issues, then sell them as a combined issue backed by the state.

Some states are now carrying the concept a step further, with more ambitious "infrastructure banks" empowered with broader authority

Government/Private Sector Cooperation Can Solve Growth Problems

to provide direct loans and grants.

NAHB's Infrastructure Task Force is now leading an ambitious campaign to create a *national infrastructure bank* it calls "Infra-Mae"—modeled after Fannie Mae—to create a secondary market for taxable loans as well as credit enhancement for tax-exempt infrastructure bonds. It would also provide direct support to private activity infrastructure projects where tax-exempt funding is no longer possible.

While they wait for other sources of infrastructure funding to emerge, builders in high-growth areas acknowledge that housing's subsidized days are gone for good.

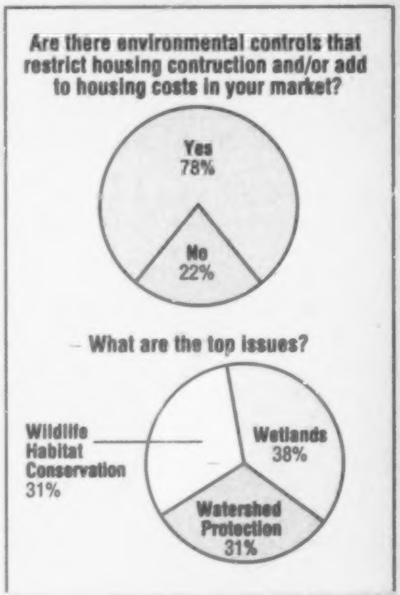
California Building Industry Association executive officer Robert Rivinius noted that a major impact fee every state builder faces is one for school facilities. "We support paying our fair share," he says, "but (we) are paying more than any other sector for new schools—$500 million throughout the state."

CBIA champions a $30 billion "Build Schools Now" program that would include a quarter-cent sales tax increase dedicated to school building, and require every California school district to use its facilities in some way year-round. But the CBIA program would continue development fees at the rate of $1.58 per square foot for residential and 26 cents for commercial.

"We have to develop mechanisms to get the private sector involved—equitably—in the provision of public services," argues Lick, noting that land appreciation financing has enormous potential. "H. Ross Perot Jr. recently volunteered to underwrite development of a new freight airport for Dallas/Ft. Worth because he owns the land surrounding the proposed site—which would obviously appreciate dramatically."

Public/private partnerships are also being used today to develop schools, parks, libraries, even waste water treatment plants. Lick cites the example of a Pennsylvania builder "who had such confidence in his planned development that he was willing to take a partial equity position in a waste water treatment system. He will carry a portion of the debt over the same period as the municipality."

Most people pay more for cable TV service than for water and sewer services, he adds: "Why not joint venture cable TV with the provision of such infrastructure?"

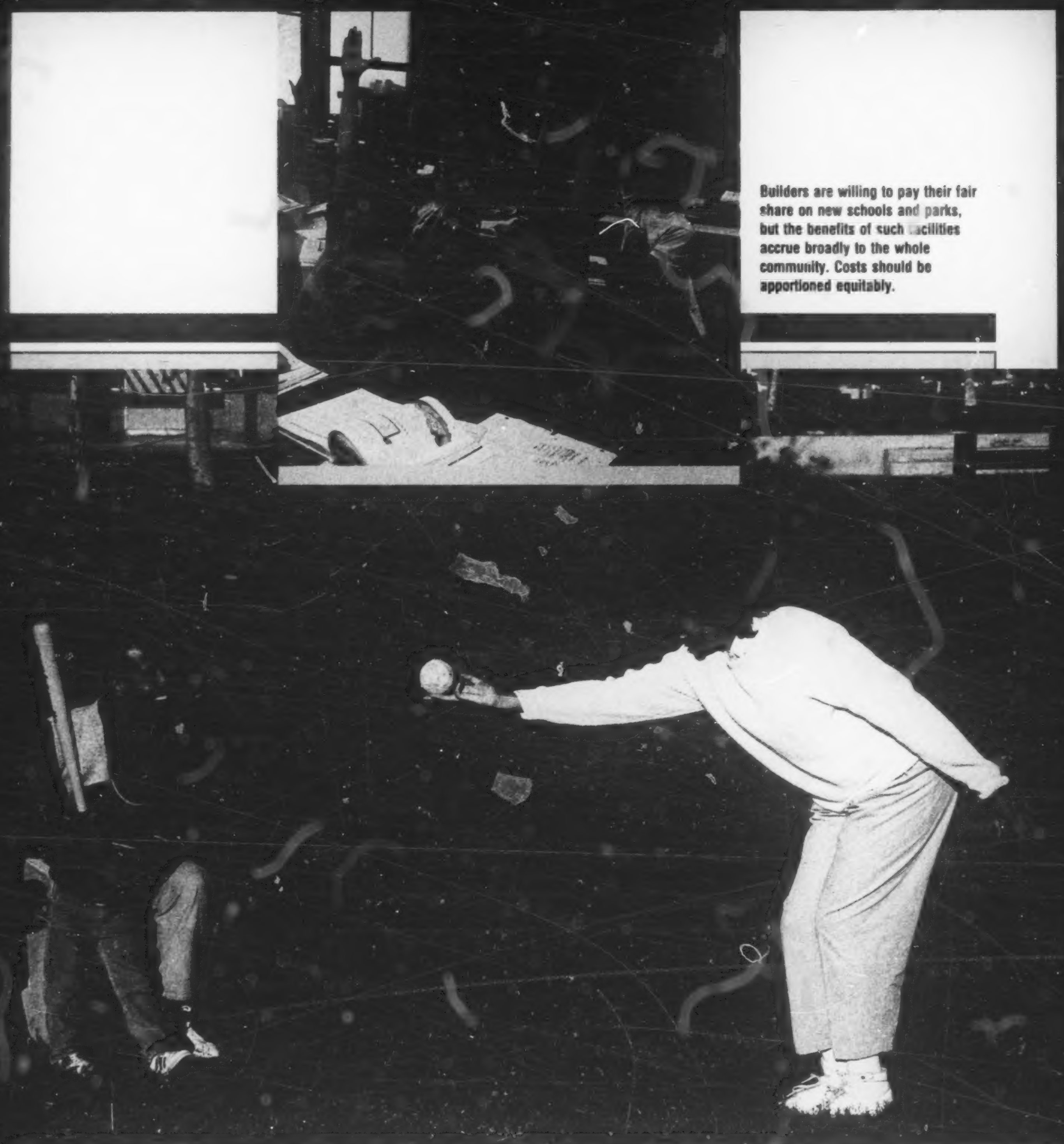

Are there environmental controls that restrict housing contruction and/or add to housing costs in your market?

What are the top issues?

No problem is as vexing as traffic, and yet opportunities for innovation are rife. One result of the Persian Gulf War may be a national transportation policy that employs both carrots and sticks to break our addiction to the automobile.

"Because of Iraq, little attention was paid last fall when the President signed amendments to the Clean Air Act that have the potential to significantly impact our lifestyles," says Ken Gregor, general manager of the Metropolitan Atlanta Regional Transportation Authority. "Measurement of air pollutants are now required, and stringent controls will apply wherever pollution exceeds limits. In such areas, employers of over 100 people will be required to submit plans to decrease vehicle miles traveled by employees."

Single-occupant cars are likely to become endangered species on rush-hour expressways, he says:



Builders are willing to pay their fair share on new schools and parks, but the benefits of such facilities accrue broadly to the whole community. Costs should be apportioned equitably.

"We'll see land-use approvals tied to transportation availability other than the auto. Before office developments are approved, builders may be required to submit plans for car-pooling, staggered hours, or connections to public transit systems."

Look for toll roads to multiply as technology makes the toll booth obsolete. Modern systems are now available that use laser beams to read windshield decals and bill the auto owner for road use, according to Claremont Institute president Larry Arnn. Laser readers can be installed at any overpass for a fraction of the cost to install and maintain toll booths.

The concept of "congestion pricing" is attractive because non-work related trips outnumber work trips 2-1 today. Even at rush hour, home-to-work trips are in the minority.

Too many states and local governments have not yet grasped that filling the funding void left by federal abdication requires harnessing the private sector. That means opening up to cooperative searches for solutions.

Builders are among the most creative entrepreneurs in every town in America. They are not the problem. They are the key to elevating the quality of life, just as they were 50 years ago. □

Once again, Trammell Crow Residential Cos. proved to be the nation's housing starts leader for the year.

Professional Builder & Remodeler's Fourth Annual Housing Starts Leaders report, the Giant 100, indicates that the Dallas-based company started 8601 homes in 1990: 8009 rental units, 392 single-family detached homes and 200 attached, for-sale units.

Runner-up Centex Homes, also of Dallas, started the most single-family detached houses with a total of 7377. Trammell Crow was the leading producer of rental housing, followed by Boston Capital Partners with 7000 rental units.

This report is designed to acknowledge last year's leaders in housing starts and provide a preview of *PB&R*'s 24th ANNUAL REPORT OF HOUSING'S GIANTS® to be published in July. That report ranks the nation's 400 largest builders based on revenues from housing sold, not started.

In some cases, builders were not able to provide start information and reported actual sales or sales estimates instead. The Giant 100 also does not include mobile home production, which is covered in the July report.

Starts are down in this report: For example, the "Top Ten Giants" started 63,112 units in 1990, compared to 70,268 in 1989. However, the composition of the "Top Ten" is roughly the same: the only new addition to that list is 4th-ranked Boston Capital Partners. Last year's 8th-ranked firm, U.S. Home, dropped to the 11th position this year.

Thirty of this year's Housing Starts Leaders have headquarters in California, down from 33 in last year's report. The California builder with the most starts is Newport Beach-based William Lyon Co. Texas is home to 11 Giants, including the two top-ranked firms, Trammell Crow and Centex. Another 11 Giants are headquartered in Florida, with the biggest being Tampa-based Jim Walter Homes. □

THE GIANT 100

Rank by starts	Company, location, principal officer	For-sale, detached units	For-sale, attached units	Rental units	Total 1990 Starts
1	**Trammell Crow Residential** 2001 Ross Ave. Suite 3500 Dallas, Texas 75201 Ronald Terwilliger	392	200	8009	8601
2	**Centex Corp.** 3333 Lee Parkway Dallas, Texas 75219 Laurence E. Hirsch	7377	172	0	7549
3	**Ryland Group** 10221 Wincopin Circle Columbia, Md. 21044 Charles E. Peck	na	na	na	7200 (est.)
4	**Boston Capital Partners** 313 Congress St. Boston, Mass. 02210 John P. Manning	0	0	7000	7000
5	**William Lyon Co.** 4490 Von Karmon Newport Beach, Calif. 92658 William Lyon	3371	1291	1359	6021
6	**PHM Corp. (Pulte)** 33 Bloomfield Parkway Bloomfield Hills, Mich. 48013-2155 James Grosfeld	na	na	na	6020
7	**NVR L.P.** 7601 Lewinsville Rd. Ste. 300 McLean, Va. 22102 Dwight C. Schar	2964	2488	0	5452
8	**Jim Walter Homes** 1500 N. Dale Mabry Hwy Tampa, Fla. 33607 Robert W. Michael	5226	0	0	5226
9	**Weyerhaeuser Real Estate** Building WRE-2 Tacoma, Wash. 98477 C. Stephen Lewis	4600	427	0	5027
10	**Kaufman And Broad Home Corp.** 10877 Wilshire Blvd. Los Angeles, Calif. 90024 Bruce Karatz	5016	0	0	5016

Rank by starts	Company, location, principal officer	For-sale, detached units	For-sale, attached units	Rental units	Total 1990 Starts
11	**U.S. Home Corp.** P.O. Box 2863 Houston, Texas 77252 Robert J. Strudler	3650	1216	0	4866
12	**Lewis Homes** P.O. Box 670 Upland, Calif. 91785 Ralph M. and Goldy S. Lewis	2347	101	667	3115
13	**Summit Properties** 212S. Tryon St. Charlotte, N.C. 28281 William F. Paulsen	0	0	2800	2800
14	**Blazer Building** 10101 Harwin Houston, Texas 77036 Chris Richardson	0	0	2500	2500
15	**Lennar Corp.** 700 N.W. 107th Ave. Miami, Fla. 33172 Leonard Miller	na	na	na	2300
16	**UDC-Universal Dev. L.P.** 4812 S. Mill Ave. Tempe, Ariz. 85282 Gary A. Rosenberg	1570	513	0	2083
17	**Lokey Companies** 1800 Bering Drive Houston, Texas 77057 Kenneth R. Lokey	120	1890	0	2010
18	**M/I Schottenstein** 1855 E. Dublin-Granville Columbus, Ohio 43229 Irving E. Schottenstein	na	na	na	1949
19	**JL Construction** P.O. Box 369 Carlsbad, Calif. 92008 James Loren Franklin	64	0	1845	1909
20	**Morris General BuildingCo.** P.O. Box 3632 Chatsworth, Calif. 91313 G.L. Morris	7	1340	460	1807
21	**Picerne Properties** 75 Lambert Lind Highway Warwick, R.I. 02886 Ronald R.S. Picerne	31	0	1673	1704
22	**A.G. Spanos Construction** 1341 West Robinhood Dr. Stockton, Calif. 95207 Alex G. Spanos	0	0	1700	1700
22	**The Charter Group** P.O. Box 241089 Omaha, Neb. 68124 Gene Wilczewski	0	0	1700	1700
22	**Hovnanian Enterprises** 10 Highway 35 Red Bank, N.J. 07701 Kevork S. Hovnanian	670	0	1030	1700
25	**Anden Group** 15260 Ventura Blvd. Sherman Oaks, Calif. 91403 Eugene Rosenfeld	874	739	0	1613
26	**Robertson Homes** 6653 Embarcadero Stockton, Calif. 95219 Barton R. Robertson	20	0	1578	1598
27	**Forecast Mortgage Corp.** 10670 Civic Center Dr. Rancho Cucamonga, Calif. 91730 James P. Previti	1393	0	200	1593
28	**San-T Development Corp.** 10769 Woodside Ave., Ste. 203 Santee, Calif. 92071 M.L. Lawrence, Art Thompson	na	na	na	1524
29	**General Homes Corp.** P.O. Box 37148 Houston, Texas 77036 James P. Olafson	1512	0	0	1512
30	**Western National Properties** 630 City Drive Orange, Calif. 92668 Michael Hayde	0	0	1496	1496
31	**Weekley Homes** 1300 Post Oak Blvd. Houston, Texas 77056 David M. Weekley	1465	0	0	1465
32	**Edward Rose Building Ent.** P.O. Box 937 Southfield, Mich. 48037 Sheldon Rose	50	1400	0	1450

Rank by starts	Company, location, principal officer	For-sale, detached units	For-sale, attached units	Rental units	Total 1990 Starts
33	**Continental Homes Holding** P.O. Box 60010 Phoenix, Ariz. 85082 Kathleen Wade/Donald Loback	1300	0	0	1300
34	**Lexington Development Corp.** 1156 W. Shure Dr. Arlington Heights, Ill.60004 Ronald J. Benach	750	500	0	1250
35	**Landstar Homes** 2533 Boggy Creek Rd. Kissimmee, Fla. 32743 Rodolfo Stern	1080	149	0	1229
36	**Elliott Homes** 11093Sun Center Drive Rancho Cordova, Calif. 95670 Harry C. Elliott III	1214	0	0	1214
36	**Post Properties** 100 Cumberland Circle Atlanta, Ga. 30339 John A. Williams	0	0	1214	1214
38	**Lusk Co.** 17550 Gillette Ave. Irvine, Calif. 92713 John D. Lusk	934	274	0	1208
39	**Regis Homes** 5120 Campus Drive Newport Beach, Calif. 92660 Geoffrey L. Stack	0	0	1201	1201
40	**GBW Properties** 520 S. Lafayette Park Pl. Los Angeles, Calif. 90057 Jay H. Wilton	0	0	1200	1200
41	**DeMatteis Organization** EAB Plaza West Tower Uniontown, N.Y. 11556 Frederick DeMatteis	0	1188	0	1188
42	**J.L. Mason Group** 5020 Tamiami Trail North Naples, Fla. 33940 Joseph L. Mason	846	339	0	1185
43	**Drees Co.** 211 Grandview Dr. Covington, Ky. 41017 Ralph A. Drees	755	216	190	1161
44	**Flournoy Construction** P.O. Box 6566 Columbus, Ga. 31995-6566 John F. Flournoy	0	0	1156	1156
45	**Beazer Properties** 945 East Paces Ferry Road Atlanta, Ga. 30326 Jerald Cohn	994	0	138	1132
46	**Calton** 500 Craig Road Freehold, N.J. 07728 Anthony J. Caldarone	600	520	0	1120
47	**Pacific Scene** 3900 Harney St. San Diego, Calif. 92110 Tawfiq Khoury	551	265	300	1116
48	**Epoch Properties** 359 Carolina Ave. Winter Park, Fla. 32789 James H. Pugh Jr.	0	0	1112	1112
49	**The Randall Group** 9500 S. W. Barbur Blvd. #300 Portland, Ore. 97219 Robert D. Randall	0	0	1100	1100
50	**Fieldstone Co.** 14 Corporate Plaza Newport Beach, Calif. 92660 Peter M. Ochs	1085	0	0	1085
51	**Amrep Corp.** 10 Columbus Circle New York, N.Y. 10019 Lawrence T. Perlmutter	520	548	0	1068
52	**Standard Pacific, L.P.** 1565 W. MacArthur Costa Mesa, Calif. 92626 Ronald R. Foell	1063	0	0	1063
53	**Newport Pacific Development** 4400 McArthur Blvd., 9th floor Newport Beach, Calif.92660 Magdy Hanna	0	640	400	1040
54	**Embrey Investments** 750 E. Mulberry St. Ste. 500 San Antonio, Texas 78212 Walter Embrey Jr.	0	0	1036	1036
55	**Harkins Group** 12301 Old Columbia Pike Silver Spring, Md. 20904 Thomas P. Harkins	0	128	875	1003

Rank by starts	Company, location, principal officer	For-sale, detached units	For-sale, attached units	Rental units	Total 1990 Starts
56	**Lincoln Property Co.** 500 N. Akard Dallas, Texas 75201 A. Mack Pogue	0	0	1000	1000
57	**Di Loreto Const.** P.O. Box 70280 Reno, Nev. 89570 Perry M. Di Loreto	750	0	224	974
58	**Kimball Hill Inc.** 5999 New Wilke Road Rolling Meadows, Ill. 60008 David K. Hill	490	470	0	960
59	**Holly Corp.** 101 E. 26th St. Tacoma, Wash. 98421 Daniel M. Kelley	9	458	488	955
60	**Shea Homes** 655 Brea Canyon Road Walnut, Calif. 91789 Roy Humphreys	467	238	243	948
61	**Catalina Homes** 644 Ferguson Dr. Orlando, Fla. 32858 W.S. Orosz Jr.	941	0	0	941
62	**CenvillDevelopment Corp.** 1926 10th Avenue N. Lake Worth, Fla. 33417 Richard Siemens	214	0	720	934
63	**Friendswood/Village Builders** P.O. Box 2567 Houston, Texas 77001 Robert Bradley	916	0	0	916
64	**Bozzuto & Associates** 6401 Golden Triangle Dr. #200 Greenbelt, Md. 20770 Thomas S. Bozzuto	0	145	756	901
65	**Primark Corp.** 1200 S. 192nd St., No. 102 Seattle, Wash. 98148 Hong S. Tan	0	0	900	900
65	**Mercedes Homes** 1600 W. Eau Gallie Blvd. Melbourne, Fla. 32935 Keith Buescher	900	0	0	900
67	**Evan Withycombe Inc.** 4455 E. Camelback Road Phoenix, Ariz. 85018 Stephen Evans	19	0	880	899
68	**Dominion Developments** 5911 Orchard St. W Tacoma, Wash. 98467 J. David Page	0	0	894	894
69	**Woodcrest Development** 17911 Mitchell Ave. Irvine, Calif. 92714 Ronald J. Gilles	724	165	0	889
70	**Tompkins Heritage Homes** 1637 E. Vine St. Kissimmee, Fla. 32743 Thomas N. Tompkins	0	0	888	888
71	**Barratt American** 30 Fairbanks, Ste. 110 Irvine, Calif. 92718 Mark L. Frazier	672	189	0	861
72	**Nanticoke Homes** P.O. Box F Greenwood, Del. 19950 John Mervine	800	50	0	850
73	**McMillin Cos.** 2727 Hoover Ave. National City, Calif. 92050 Macey L. McMillin Jr.	296	446	104	846
74	**Roberts Properties** P.O. Box 28744 Atlanta, Ga. 30328 Charles S. Roberts	117	0	714	831
75	**Lockwood Group** 17 W. Lockwood Ave. St. Louis, Mo. 63119 Joseph A. Shepard	0	0	820	820
75	**Continental Financial Corp.** P.O. Box 7679 Marietta, Ga. 30065 S. Kent Owings	820	0	0	820
77	**Mitchell Co.** P.O. Box 160306 Mobile, Ala. 36616 John Saint	350	0	468	818
78	**Victorian Homes** P.O. Box 707 Middlebury, Ind. 46540 Roger Nielsen	805	0	0	805

Rank by starts	Company, location, principal officer	For-sale, detached units	For-sale, attached units	Rental units	Total 1990 Starts
79	**Hughes-Patwil Homes** P.O. Box 6181 Linglestown, Pa. 17112 Eugene Bastian	800	0	0	800
79	**Winncrest Homes** 9985 Folsom Blvd. Sacramento, Calif. 95827 Thomas P. Winn	800	0	0	800
81	**GlenFedDevelopment Corp.** 16601 Ventura Blvd., Ste. 500 Encino, Calif. 91436 Terry Hess, Mel Wynn	353	255	187	795
82	**Hunt Building Corp.** P.O. Box 9368 El Paso, Texas 79984 M.L. Hunt	378	404	0	782
83	**Harold Moore Associates** P.O. Box 756 Fayetteville, Tenn. 37334 Harold Moore	0	27	734	761
84	**Meeker Development** 19100 Von Karmen Irvine, Calif. 92715 George Meeker	760	0	0	760
85	**Coleman Co.** P.O. Box 9336 Bakersfield, Calif. 93389 Thomas Coleman	606	0	114	720
86	**McKellar Communities** 1250 Prospect #103 La Jolla, Calif. 92037 Christopher S. McKellar	0	714	0	714
87	**DiVosta& Company** 10358 Riverside Drive Palm Beach Garden, Fla. 33410 Otto B. DiVosta	244	468	0	712
88	**Andrade Development** 1620 W. Fairmont Fresno, Calif. 93705 Jim Vagim	0	456	248	704
89	**Orleans Construction** 2507 Philmont Ave. Huntington Valley, Pa. 19006 Jeffrey Orleans	100	600	0	700
90	**Ahmanson Developments** 1370 S. Valley Vista Dr. #100 Diamond Bar, Calif. 91765 Jeffrey A. Slavin	647	31	0	678
91	**Colson & Colson Construction** 2741 12th St. S.E. Salem, Ore. 97302 William E. Colson	0	0	669	669
92	**Griffin Homes** 24005 Ventura Blvd. Calabasas, Calif. 91302 Paul E. Griffin Jr.	640	0	0	640
93	**Signature Homes** 801 South Rancho Drive Las Vegas, Nev. 89106 Richard Plaster	637	0	0	637
94	**Holiday Builders** 1901 S. Harbor City Blvd. Melbourne, Fla. 32901 Lawrence Sietsma	602	0	0	602
94	**International American Homes** 100 Walnut Ave. Clark, N.J. 07066 Robert H. Winnerman	336	266	0	602
96	**M.D.C. Holdings** 3600 South Yosemite Street Denver, Colo. 80237 Larry A. Mizel	600	0	0	600
97	**S&A Custom Built Homes** 501 Rolling Drive State College, Pa. 16801 Don Haubert	512	83	0	595
98	**Town & Country Homes** 1603 W. 16th St. Oak Brook, Ill. 60521 William G. Ryan	470	120	0	590
99	**United Development Mgt.** 1400 S. Wolf Road Wheeling, Ill. 60090 Sheldon Lazar	257	165	157	579
100	**Borror Corp.** 5501 Frantz Road Dublin, Ohio 43067 Douglas Borror	575	0	0	575

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PROFESSIONAL BUILDER & REMODELER (ISSN-0885-8020) Vol. 56, No. 5 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $139.95, two years $229.95; Canada/Mexico, one year $179.95, two years $299.95; other countries, one year $195.95, two years $325.95. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800.

INDICATORS

Final 1990 Housing Starts Total The Lowest In 8 Years

Numbers reflect the uncertainty and concern caused by the Gulf War.

With the release of the government's estimate of total housing starts for December, we now have a preliminary count of all single- and multifamily residential units started during 1990. The picture isn't pretty. At an estimated 1,192,800 units, last year's total was the lowest since 1982 (the low-water point of the decade with only 1,062,000 units started).

Total starts declined by 13.3%, with starts in multifamily buildings falling below 300,000 units for the first time on record and single-family starts dipping below 900,000 units after averaging almost 1.1 million units annually over the last seven years.

December's numbers reflected the uncertainty and apprehension present in the nation in the weeks leading up to the Gulf War. Total starts during the month were at an extraordinarily low seasonally adjusted annual rate of just 987,000 units. This represented the first time since June 1982 that the annualized pace of new starts slipped below one million. A final measure of just how badly things had deteriorated by December: the actual unadjusted number of new units started during the final month of 1990 was the lowest for any December since 1974. □

Stalemate Is Over; Slow Recovery Seen

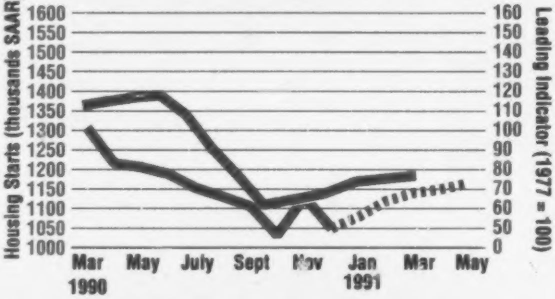
Things will get better in 1991—if only because they can hardly get much worse. Less cynically, there are in fact some good reasons to believe that the worst is behind us. The most encouraging single development is the end of the impasse in the Middle East. For better or worse, the debilitating uncertainty about the stalemate has been removed from prospective home buyers minds.

The "wait-and-see" paralysis of consumer psychology will be rehabilitated only slowly, but some realistic hope of improvement is now on the horizon.

The combination of lower interest rates, a definitive resolution to the hostilities in the Persian Gulf, and a national economy which has "bottomed out" should spell relief by year's end. □

By Daryl Delano, Cahners Economics

PB&R Leading Indicator



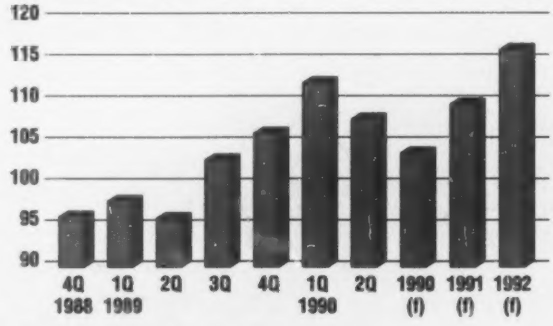
Broken line denotes forecast. Leading Indicator of Housing predicts short-term changes in residential construction over approximately the next quarter. Latest figure is based on March data and includes the Standard and Poor's h-b stock index, 90 day T-bills, bank reserves, consumer confidence index and the ratio of homes for sale to those sold. Prepared exclusively for PB&R by Cahners Economics.

Regional Market Conditions
(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Portland, Maine	-23.5%	$93,572	-8.5%	0.0%
Harrisburg	-6.8%	$81,572	-1.6%	+2.7%
Orlando	-0.3%	$88,850	-13.1%	+2.7%
Knoxville	+6.5%	$68,329	+4.3%	-1.6%
San Antonio	+2.7%	$61,743	-19.4%	+1.3%
Milwaukee	+3.4%	$106,283	+0.4%	+2.0%
Omaha	+5.8%	$70,437	-3.5%	+2.4%
Salt Lake City	+20.3%	$87,795	-41.6%	+3.1%
San Diego	-30.8%	$174,419	+14.2%	+2.4%

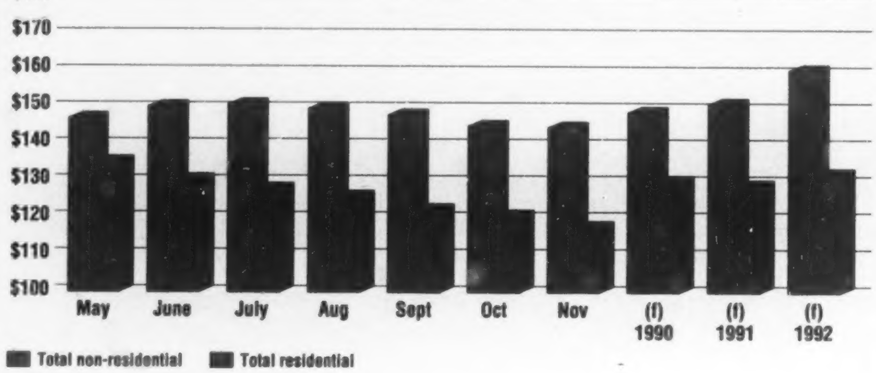
Sources: U.S. Departments of Commerce and Labor.

Residential Upkeep & Improvement Spending



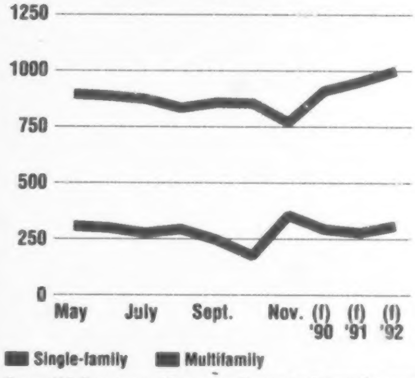
Data reflects seasonally adjusted annual rates in billions.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Non-Residential & Residential Construction Spending



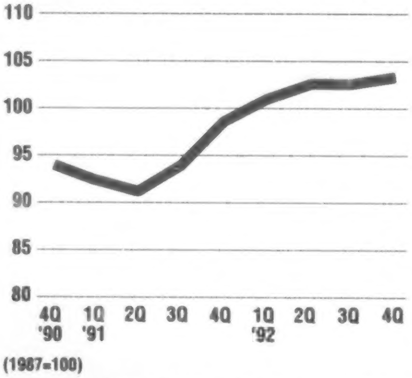
Data reflects seasonally adjusted annual rates in billions.
Source: U.S. Department of Commerce. Forecast by Cahners Economics.

Housing Starts



Source: U.S. Department of Commerce. Forecast by Cahners Economics.

Total PB&R Market Activity

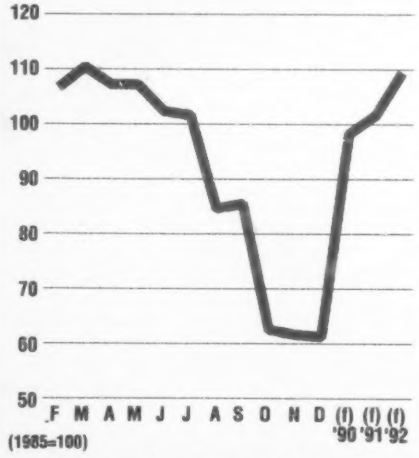


(1987=100)

Index represents weighted average of forecast trends in residential, remodeling and light commercial construction markets. Data are expressed in "real" terms, i.e. adjusted for the effects of inflation.

Source: Cahners Economics.

Consumer Confidence Index



(1985=100)

Source: The Conference Board. Forecast by Cahners Economics.

Key Trends At A Glance

	Nov. 1990	Mar. 1990
Total housing starts*	1129	1307
New home sales*	506	558
Remodeling permit trend	+2.2%	+2.6%
Consumer confidence index**	61.7	110.5
Median price of new home***	$121.5	$119.4
Fixed-rate mortgages	10.01%	10.25%
Construction wage trend	+3.3%	+2.5%

* Seasonally adjusted annual rate in thousands.
** 1985 = 100.
*** In thousands.

'Pockets of Strength' Existed In 1990

The value of permits for new residential construction were off in most parts of the country last year. The national average decline was 14.1%, with the Northeast leading the downhill charge.

The modest "pockets of strength" in new home construction were concentrated in the Pacific Northwest, Oil Patch and Midwest states. The number of single-family home permits rose by 18.1% in Oregon, by 9.7% in both Washington and Iowa, and by an average 3.5% for Texas, Louisiana and Oklahoma.

The better opportunities last year clearly were in other-than-new construction work. Regional variations in the level of residential remodeling and non-residential work during 1990 were still apparent but much less pronounced than for new construction work.

Nationally, the value of permits for residential addition and alteration work rose 1.9% between 1989 and 1990—not much, but in sharp contrast to the better than 14% decline in new construction work.

Regionally, remodeling grew by a strong 11.4% last year in the Pacific Coast states, even as new construction permit values were plummeting by 21.4%.

Unfortunately for the New England states, weakness in the new construction markets carried over to the remodeling side as well. New residential permits were off 29.3%, while remodeling permits were down 11.8%. □

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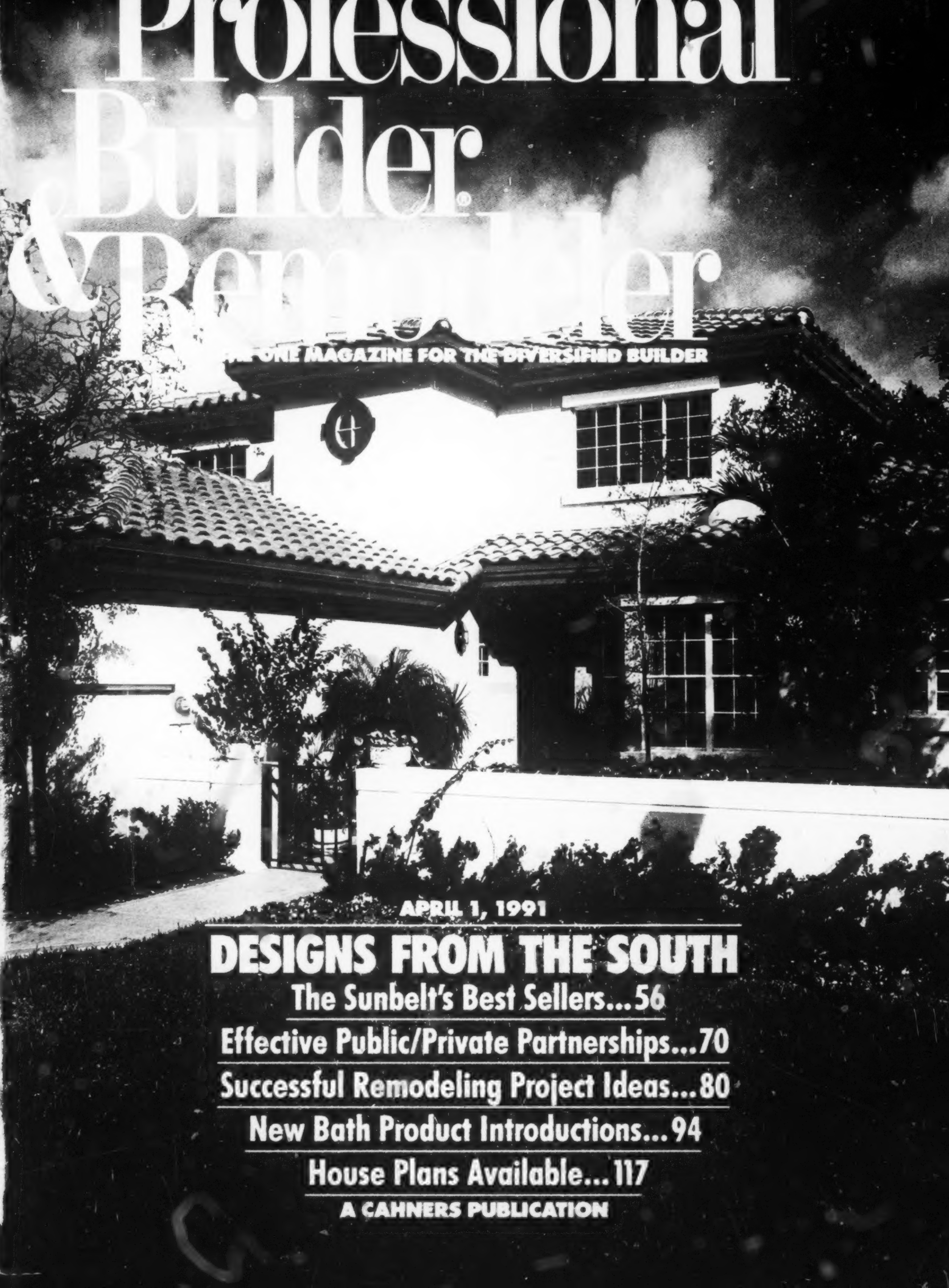

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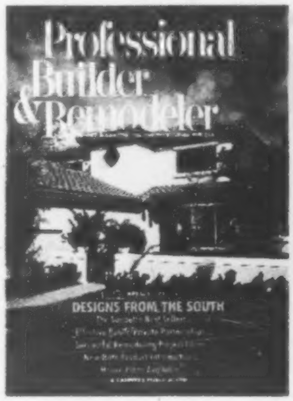


On The Cover

■ The Santa Barbara model brings a California design flavor to Boca Raton, Fla. Builder Don Alexander of Marlex Housing along with Ahmanson Development brought the entire design team from California: Architects were Lorimar-Case and Bassenian/Lagoni; models were merchandised by Parisi Interiors; landscaping was handled by L.A. Group. Photography by Tom Knibbs.

Best-selling new homes from the South: p. 56.

FEATURES

Top Housing Designs From The South 56

Housing design has great range in the "New South," from the stucco of Florida to the red brick of Tennessee.

Let America Build: Public Private Partnership 70

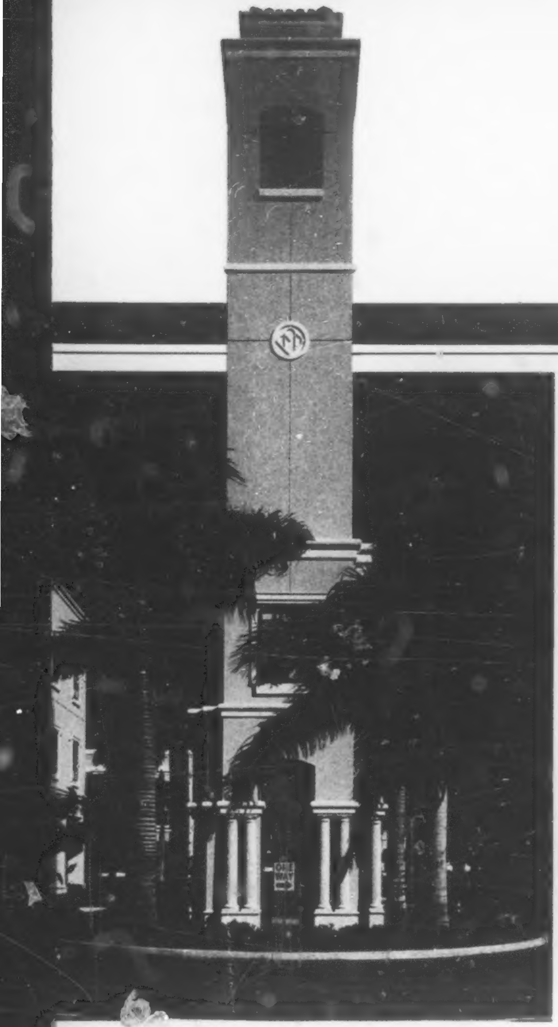
These can be effective vehicles for the production of low- and moderate-income housing.

Non-Res Opportunities Still Exist 74

Astute builders still can find niches of opportunity that produce spectacular successes.

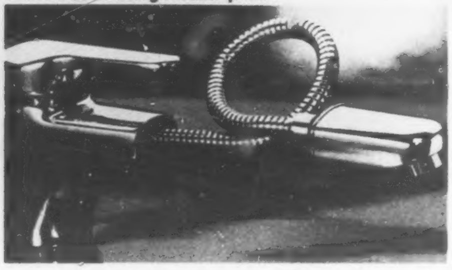
Spotlight On Remodeling 80

A $350,000 team effort transformed this 1930s Mediterranean-style structure into a design showcase that meets the needs of the 1990s.



Distinctive non-residential projects: p. 74.

Passive solar design ideas: p. 90.



1991 bath product introductions: p. 94.

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Business

■ Creative incentive programs can drive sales in slow times. Here are some unique financing packages that builders have put together in recent months: *p. 12.*

Management

■ Former Builder of the Year Geoie Writer plans a second comeback. His message is particularly apt for builders today—focus on fundamentals: *p.* 25. Fire damage helps ignite a dramatic new design (and saves the owners a bundle) in San Diego: *p. 30.*

Marketing

■ Sometimes, selling a luxury home can require careful "orchestration" to put prospects in the buying mood: *p.* 37. The "work-at-home" market is becoming a widening niche for builder/remodelers: *p. 38.*

Technology

■ A task force is busy at work to determine how defective FRT plywood [illegible] will be paid: *p. 87.* A room addition on a tough site is warmed by passive solar technology: *p. 90.*

Next Issue

■ In the April 15th issue: Custom luxury homes, plus profiles of outstanding landscaping designs. Also included are new house plans, a look at the lead paint crisis and new developments in workers' compensation.

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Ammunition For A 'Buy Now' Campaign In Your Market

By Roy L. Diez,
Vice President,
Editorial Director

The gradual return of American troops after the successful and swift conclusion to the war in the Persian Gulf has given a needed boost to consumer confidence. For home builders, the time to capitalize on that enthusiasm is now.

It's time to get off the defensive and go on the offensive. Buyer incentives may still be appropriate as a closing hook, but you should now add an aggressive "Buy Now" flavor to your marketing campaigns. Here's some ammunition:

Housing is now more affordable.

Due to a stabilization in new home prices, declining interest rates and increases in family income, housing affordability has improved significantly in recent months.

At war's end, the Housing Affordability Index of the National Association of Realtors stood at 114.4. In other words, a family earning the national median income of $35,700 had 114.4% of the income needed to qualify for conventional financing with 20% down on a median-priced $94,200 home. This was one of the highest readings in more than 13 years.

Housing is, indeed, a good investment.

Owning a home is now just about the only tax shelter left for the average American. Both the interest on a home mortgage and the real estate taxes on a new home are still tax deductible.

Deductibility of mortgage interest rates, in fact, means that the homeowner actually pays less in interest than the actual mortgage rate of their home loan. As shown in Chart 1, Chicago Title and Trust Company has computed this difference based on 1991 tax rates for a married couple filing a joint return.

Housing appreciates.

Remind potential buyers that a new home can still be counted on to appreciate in value. Home prices have not entered free-fall, as some of the consumer press would have them believe.

Effective Mortage Rates

Taxable Income	Mortgage Rate 8%	9%	10%
$20,000	7.0%	7.5%	8.5%
$30,000	7.0%	7.5%	8.5%
$35,000	6.5%	7.5%	8.0%
$45,000	6.0%	6.5%	7.0%
$60,000	6.0%	6.5%	7.0%
$85,000	5.5%	6.5%	7.0%

Home Appreciation

Metro Area	% Change
Albany/Troy, N.Y.	116.4%
Atlanta	36.9%
Boston	110.9%
Charlotte, N.C.	45.9%
Chicago	53.9%
Cincinnati	39.5%
Dallas	10.6%
Denver	10.3%
Detroit	60.2%
Ft. Lauderdale, Fla.	25.3%
Hartford, Conn.	93.7%
Las Vegas	24.0%
Los Angeles	79.0%
Memphis, Tenn.	26.8%
Minneapolis	20.5%
New York	96.3%
Orange Co., Ca.	81.7%
Orlando, Fla.	28.6%
Sacramento, Ca.	81.8%
San Diego	85.0%
San Francisco	93.9%
St. Louis	36.5%
Tampa, Fla.	29.0%
Washington, D.C.	68.0%

In another recent study, NAR has documented significant, long-term housing appreciation in most markets across the country. The study tracks resale-home price results over the past seven years (1983-1990) in some 52 metro areas and shows substantial gains in all but three (all in the Oil Patch states) of the markets. Chart 2 shows some of these markets.

Even the two coasts, where media hype about declining prices has been strongest, have fared well.

Roy L. Diez

■ MONEY

Building: Is It A Shelter Business Or An Investment Business?

By Allan G. Bortel,
Chartered Financial Analyst, Vice President,
Sutro & Co.

Case Study: You've sold 20 homes, out of 40 planned, for a particular subdivision during the good old days between 1988 and early 1990. The average sale price was $250,000.

It is now 1991, and those same homes are bringing no more than $200,000. That's the market price for the next 20 homes you plan to build, as well as the market into which your previous customers could possibly resell. You must hope that those customers were satisfied with your product and aren't planting signs with lemons on them in their front yards because your punchlist wasn't punched right.

Justifying an economic loss (although on paper) is never easy when the home you have delivered has not held its value over a very short period of time. This phenomenon is currently being experienced in California, having spread from the Northeast. When this kind of event occurred in Texas in the mid-1980s, it was more explainable because the price of oil had collapsed, bringing down the job market as well as real estate prices. Builders could hide from their old customers because they were not alone in experiencing the depression affecting the area.

Justifying an economic loss (although on paper) is never easy when the home you have delivered has not held its value over a very short period of time.

But what does the Northeast or California builder do to keep those first customers happy and justify their new homes at today's (unfortunately) lower economic value? There are (believe it or not!) a few things you can tell them. The most obvious is that your customer might obtain a property tax assessment review. You can assist by furnishing the telephone number of the local county assessor and your customer's lot number (which the average homeowner usually doesn't know).

The case that will have to be made with the assessor's office is that sale prices of nearby homes have been lower, as of the snap-shot date at which property values are determined (a state law). Appeals for lowering assessed valuations, in some instances, may go higher than the local assessor's office. In fact, for those who do not want to be bothered, there are companies that charge about $200 for handling reassessments, preparing the documentation and filing the appeal.

All this is just part of the realization, humbling though it may be, that builders are in the shelter business and *not* the investment business.

A point made in my February 1 column needs clarification. Construction loans made by S&Ls for 1-4 family homes require *twice* as much capital behind them as loans for existing homes.

Model Traffic Remains Low

According to the latest builder panel survey, confidence in the market, which was at very depressed levels this summer, is tipping up slightly. However, the *PB&R* and Owens-Corning Fiberglas survey also indicates that home buyer interest remains at very low levels. In January, 90% of builders said that model traffic was the same or less than a year earlier.

In the next three months, do you think that new housing/remodeling business in your area will be:

	Jan. 1990	July 1990	Jan. 1991
Better?	48%	24%	29%
Worse?	10%	13%	15%
Same?	42%	63%	56%

Source: Owens-Corning/PB&R Contractor "Tracker" Study.

Pulte Plans European Sales

National housing giant Pulte Home Corporation, with U.S. annual sales in excess of $1 billion, plans to register a few future sales in pounds, francs and deutsche marks.

Pulte recently announced Florida Homes (U.K.) Ltd.—which pioneered sales of Florida properties in Great Britain—as its exclusive sales and marketing agent in Europe. The firm will develop markets for Pulte from its Cambridge sales and information center.

The effort will concentrate on promoting Pulte's Florida division, with communities in Orlando, Delray Beach and Palm Beach Gardens. □

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PROFESSIONAL BUILDER & REMODELER (ISSN-1053-6353) (GST -123397457) Vol. 56, No. 6 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Frank J. Sibley, Executive Vice President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $139.95, two years $229.95; Canada/Mexico, one year $179.95, two years $299.95; other countries, one year $195.95, two years $325.95. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800. PROFESSIONAL BUILDER & REMODELER, PROFESSIONAL BUILDER and ANNUAL REPORT OF HOUSING'S GIANTS are trademarks of Reed Properties Inc., used under license.

INDICATORS

Home Sales Plunge During 1990

Existing single-family home sales are off only 4.3%; new home sales fare much worse.

While much attention is focused on housing starts as an indication of the relative health of the residential construction market, it is only part of the story. For the rest, we look toward information on actual home sales.

For the second straight year, total single-family home sales declined during 1990. A combined total of 3,829,000 new and existing homes were sold last year—the lowest annual total since 1984. Existing home sales were off 4.3% for the second year in a row, while new-home sales were down a much sharper 17.5%.

The fact that existing home sales resisted this kind of free-fall buffered remodelers from the full effects of the devastating drop in new home construction and new home sales activity. Preliminary indications are that total consumer spending on improvement and upkeep work actually rose slightly.

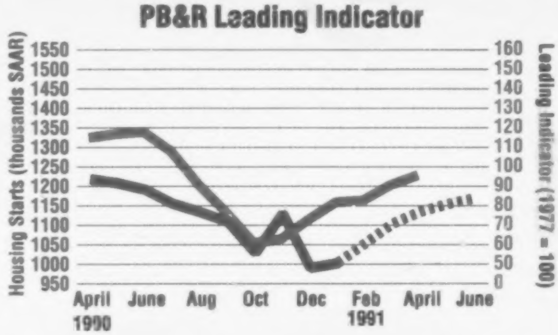
We see single-family home sales bottoming out by midyear, helped by lower mortgage rates, builder incentives and improved consumer confidence. Total 1991 sales should be at, or only slightly below, last year's level, and more substantial improvement should be seen in 1992. □

Remodeling Spending Slowed By End Of '90

The pace of spending on home improvement projects (additions, alterations and major replacements) peaked during the first three months of 1990 at an annualized rate of $64.7 billion. Maintenance and repair spending peaked at a level of $53.1 billion, annualized, during the second quarter of the year. A debilitating uncertainty about the nation's economic and political near-term future took hold at midyear.

After continued weakness in the first three or four months of this year, remodeling spending should gradually increase as the year progresses. Improving consumer confidence and lower financing rates should stimulate demand for remodeling work, although total real, inflation-adjusted 1991 spending will be level with, or only slightly above, the disappointing 1990 total. □

By Daryl Delano,
Cahners Economics



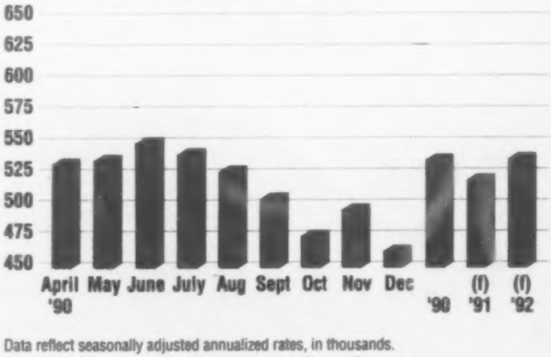
Broken line denotes forecast. Leading Indicator of Housing predicts short-term changes in residential construction over approximately the next quarter. Latest figure is based on April data and includes the Standard and Poor's k-b stock index, 90 day T-bills, bank reserves, consumer confidence index and the ratio of homes for sale to those sold. Prepared exclusively for PB&R by Cahners Economics.

Regional Market Conditions
(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
New Haven	-36.4%	$90,210	-20.7%	-3.1%
Trenton	-38.9%	$91,628	-5.2%	-0.3%
Jacksonville	-8.4%	$76,559	-0.2%	+2.5%
Jackson, Miss.	-12.9%	$68,636	+4.0%	+1.1%
Oklahoma City	+4.9%	$87,291	+13.3%	+0.4%
Cleveland	+0.2%	$139,532	+3.5%	+1.8%
Wichita	-6.7%	$70,327	-1.0%	+0.8%
Reno	+26.4%	$103,712	+21.0%	+2.5%
Oakland	-40.2%	$136,653	+7.7%	+3.0%

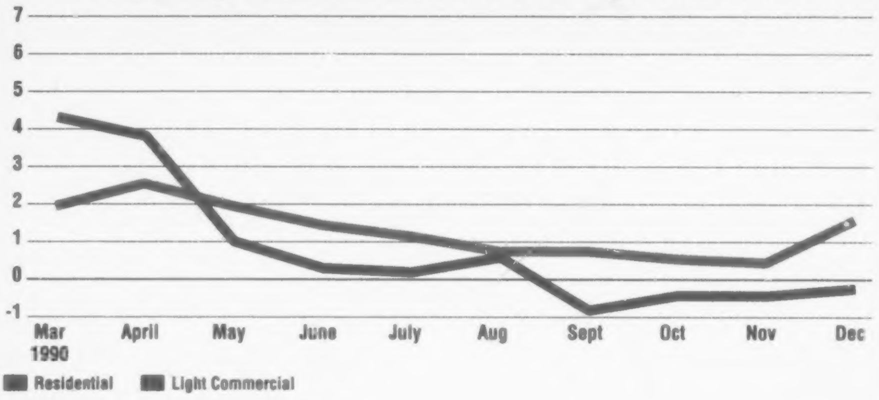
Sources: U.S. Departments of Commerce and Labor.

New Single-Family Home Sales



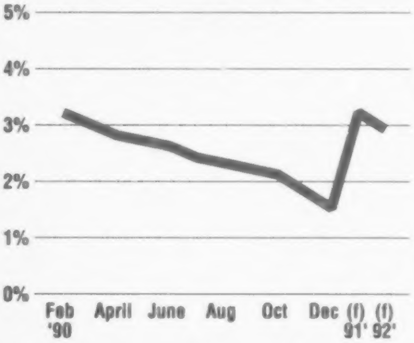
Data reflect seasonally adjusted annualized rates, in thousands.
Source: U.S. Department of Commerce. Forecast by Cahners Economics.

Remodeling Permit Trends: Residential & Light Commercial



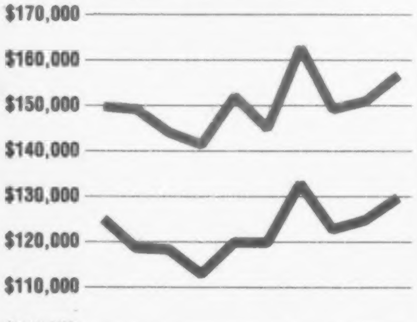
Data reflect percent change in 12-month moving totals.
Source: U.S. Department of Commerce.

Construction Labor Costs



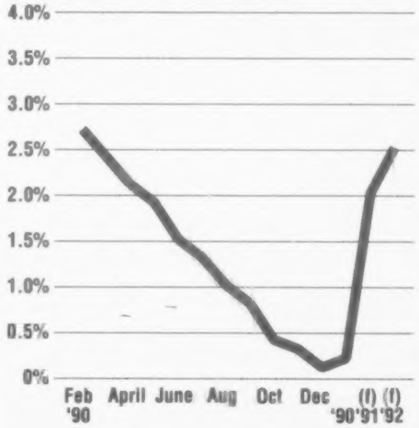
Data reflect over-the-year change in average hourly earnings.
Source: U.S. Department of Labor. Forecast by Cahners Economics.

Sales Prices Of New Single-Family Homes



Source: The Conference Board. Forecast by Cahners Economics.

Construction Materials Prices



Data reflect over-the-year change in Producer Price Index.
Source: U.S. Department of Labor. Forecast by Cahners Economics.

Key Trends At A Glance

	Dec 1990	April 1990
Total housing starts*	987	1216
New home sales*	463	533
Remodeling permit trend	+1.9%	+3.4%
Consumer confidence index**	61.2	107.3
Median price of new home***	$133	$130
Fixed-rate mortgages	9.67%	10.37%
Construction wage trend	+1.5%	+2.8%

* Seasonally adjusted annual rate in thousands.
** 1985 = 100.
*** In thousands.

1990 New Home Construction Grew In Some Areas

We've looked at the top metropolitan areas for new residential construction in 1990, by dollar value of permitted construction work. A few common threads connect many of the areas represented in this analysis (limited to the 100 largest metropolitan areas in the country). Most are "second-tier" relatively smaller cities and, therefore, relatively more affordable housing markets than formerly high-growth areas in the Northeast and on the California coast. These include the California cities of Redding, Visalia, and Bakersfield; Tacoma and Vancouver, Wash.; plus Reno, Des Moines, Salt Lake City and Boise—all are in the "Top Twenty."

Some are bouncing back from the depths of a severe housing recession (Dallas and Austin, Texas), while others have benefited from decidedly negative events (building and rebuilding taking place in the aftermath of Hurricane Hugo—South Carolina cities—and the San Francisco Bay area earthquake).

In a year in which residential new construction values fell by a sharp 14.1%, these strong growth areas were the welcome exceptions to the rule. Not coincidentally, employment growth was much stronger than the U.S. average in most of these areas as well—led by Charleston S.C., Boise, Columbia, S.C., and Portland—a fact that created demand for new and remodeled housing. □

01850-8A

Professional Builder® & Remodeler

THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER

APRIL 15, 1991

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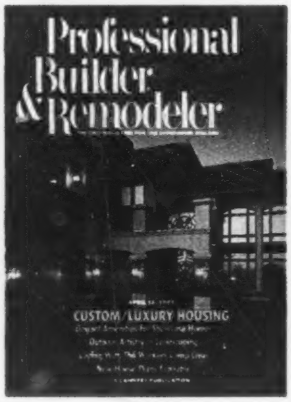
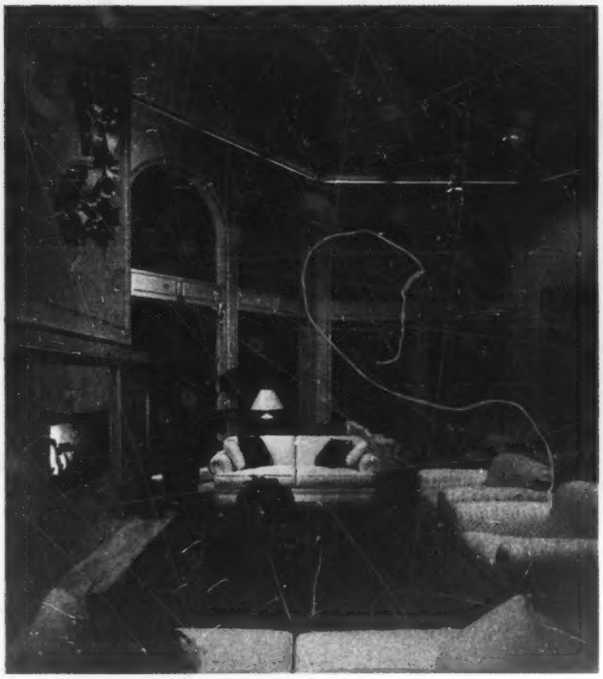


On The Cover

■ Robert Leclercq Jr. of RFL Development built this 4441-square-foot custom "tour de force" in Ritz Cove, Laguna Niguel, Calif. The exterior facade is a balanced mix of stucco, terra-cotta roof tile, wall tiles, wood, cast stone and glass. The home was designed by Knitter & Associates, with decorating completed by Thomas Neuser Interiors. Photography by Larry A. Falke Photography.



Luxury touches for custom creations: p. 60.

Landscaping techniques: p. 78.

FEATURES

The Midas Touch 60

Distinctive "extras" in custom homes, ranging from specialty rooms and upscale detailing to select lot amenities, can be the elements that spell success in the luxury market.

Outdoor Artistry 78

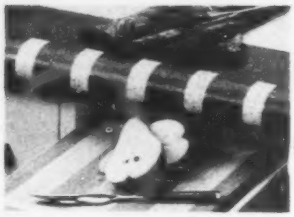
From coast to coast, builders are enhancing exteriors by shaping nature to its best advantage. Here's a look at some of the industry's top land- and waterscaping amenities.

What's New In Home Automation 84

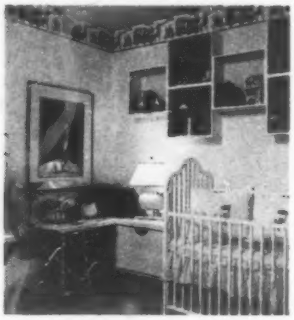
Integrated home-automation systems, merging computer technology and touch-screen access to control a home's utilities, are being successfully used in both new and remodeled homes.

APRIL 15, 1991

Upscale products for high-end homes: p. 100.



Opulent amenities: p. 100.



Merchandising trends: p. 46.

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Business

■ Efforts are underway to reform the workers compensation system. The focus is on the definition of "independent" contractor and how that relates to responsibility for premium payments: *p. 12.* Washington insiders say the Gulf War threatens tax revisions: *p. 16.* Revised FHA rules seem to signal a diminished future role for the agency in nation's housing markets: *p. 20.* RTC has announced a new "affordable" housing program: *p. 24.*

Markets

■ The Rokko Demonstration House enabled American architects and designers to bring Western-style housing to Japan: *p. 31.* The 1989 Model Energy Code has been found to be the most efficient: *p. 36.*

Marketing

■ The Rochester, N.Y.-based Better Contractors Bureau has a two-fold mission: protect the consumer and upgrade the image of remodelers: *p. 43.*

Technology

■ A test program of lead-paint abatement techniques has found that the average cost for treatment is $14,500 per home. Some experts fear the problem will be more difficult to clear than asbestos in housing: *p. 93.* A new wireless technology has been introduced, to link home-automation products: *p. 96.*

RIII NEWSLETTER

THE NATIONAL EXPOSITION OF
REMODELING, RENOVATION & RESTORATION
8, 9, 10 NOVEMBER 1991

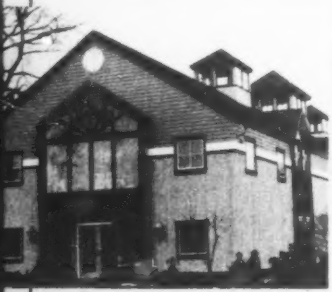
Market Trends & Diversification Tips

Building System Eases Renovation

A pre-engineered post-and-beam system lowered on-site costs and speeded up the renovation of the Furniture Barn, a retail store in Connecticut.

Habitat/American Barn of South Deerfield, Mass., provided the materials to add a second floor to the existing structure.

"The store's owners needed more space and wanted the new design to resemble a barn—very open on the inside," says Steve Worth of Habitat.



Rovinelli & Digioia added a second story to this facility in five months, using a pre-engineered post-and-beam system.

Architect David B. Yager & Associates, Cheshire, Conn., designed a heavy timber truss for the roof system.

Builder Rovinelli & Digioia of Milford, Conn., added a second story of roughly 6500 square feet.

The renovation took five months; hard construction costs, less building package, were $475,000. □

Census Confirms Diversity In Construction

Market conditions dictate construction activity, and as the decade moves on, growth will escalate in remodeling. If the U.S. Census data is a measure, builders agree.

The latest U.S. Census of Construction, conducted in 1987 and released in 1990, reports more than 70% of the 157,638 residential and non-residential builders either specialize in remodeling or specify that remodeling is an important aspect of their overall business.

The growth in remodeling activity shown by the census figures mirror data accumulated by *PB&R*. In 1970, readers of *Professional Builder* reported activity in 1.1 types of construction. In 1980, readers reported activity in two types of construction, and in 1990, *PB&R* readers reported activity in 2.9 different types of construction.

The breakdown of construction activity by *PB&R*'s readers, based on qualification cards:

□ 76% in single-family home construction;
□ 65% in remodeling;
□ 48% in custom housing; and
□ 40% in non-residential construction.

At some point this decade, remodeling expenditures will outpace new construction dollars for the first time. Indeed, diversification is the wave of the future. □

Building Firms Active In Remodeling

According to the 1987 Census of Construction, released in 1990, more than 70% of the 157,638 residential and non-residential building firms either specialize in remodeling or worked in remodeling.

Type of Firm	Building Activity			
	New const. only	Remodel only	Both new & remodel	Total firms
General contractor, single family	20,141	30,123	40,114	90,378
General contractor, multifamily	2138	3063	2939	8140
Operative builders	15,201	217	5342	20,760
All residential	38,414	37,782	48,082	119,287
Industrial & Warehouse builders	1712	1113	4189	7014
Other non-res builders	5521	7442	18,374	31,337
All non-residential	7264	8540	22,565	38,351

National Trust To Sponsor Special Programs At RIII

The National Trust for Historic Preservation will be an honorary sponsor of RIII special restoration events.

Concurrent with RIII and at McCormick Place, the National Trust will offer a series of educational programs covering a wide spectrum of restoration topics for builders and remodelers, architects and designers.

In addition, the Trust's annual "Great American Home" award will be presented at a special ceremony during RIII. The "Great American Home" program is a national competition giving special recognition to individuals for restoration of significant American homes.

The National Trust for Historic Preservation, leader of America's historic preservation movement in the private sector, is a non-profit membership organization chartered by the U.S. Congress in 1949. It has over 225,000 individual and 3000 organizational members. □

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PROFESSIONAL BUILDER & REMODELER (ISSN-1053-6353) (GST -123397457) Vol. 56, No. 7 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Frank J. Sibley, Executive Vice President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $139.95, two years $229.95; Canada/Mexico, one year $179.95, two years $299.95; other countries, one year $195.95, two years $325.95. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800. PROFESSIONAL BUILDER & REMODELER, PROFESSIONAL BUILDER and ANNUAL REPORT OF HOUSING'S GIANTS are trademarks of Reed Properties Inc., used under license.

INDICATORS

Summing Up The Sad State Of 1990s Housing Market

1990 marked fourth consecutive down year after 1986 peak of 1.81 million new units.

Conditions in the residential building market went from bad to worse over the course of the final quarter of 1990. Continued consumer apprehension about the war in the Persian Gulf and the weak state of the U.S. economy drove the market even lower during the first two months of 1991. Fortunately, there is every reason to believe that the beleaguered housing industry has seen the worst of this cycle and that better—albeit only modestly better—days are just ahead.

Some final numbers for 1990 tell the whole sad story about the last year's housing market. The total value of new (excluding remodeling) residential construction put-in-place last year was down 6.7% from the none-too-vigorous rate of a year earlier. Spending for new single-family home development was off 5.3% from the 1989 rate—the first annual decline in eight years. New construction spending in the long-suffering multifamily sector was off for the fourth consecutive year, declining by 20% during 1990.

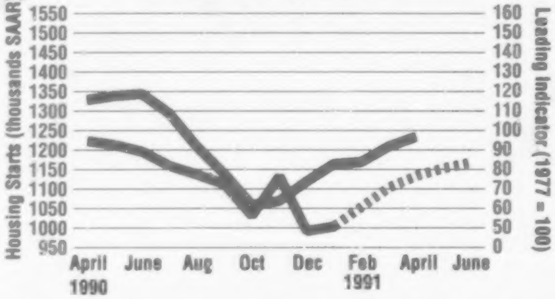
The total number of new housing units started was down considerably more than the current dollar spending levels. For the year, 10.8% fewer new single-family homes were started, while 20% fewer new units were started in multifamily buildings. A total of just over 1.19 million housing units of all types were started during 1990, a drop of 13.3% from the weak 1989 total—the fourth consecutive down year following the 1980s peak of 1.81 million new units recorded during 1986. ☐

Forecast Leans Toward Slow Climb

We have revised our housing starts forecast slightly downward in recognition of the depths to which the market sank during 1990 and the extremely bad first few months of 1991.

However, low mortgage interest rates, soft home prices and improving consumer confidence—all combined with easing of credit constraints—will fuel a recovery in home building. The momentum achieved in late 1991 should carry forward into 1992. ☐

PB&R Leading Indicator



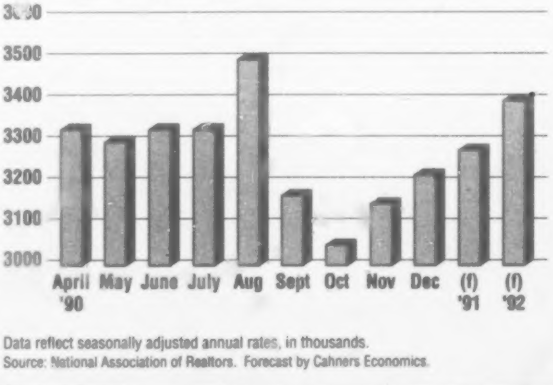
Broken line denotes forecast. Leading indicator of Housing predicts short-term changes in residential construction over approximately the next quarter. Latest figure is based on April data and includes the Standard and Poor's h-b stock index, 90 day T-bills, bank reserves, consumer confidence index and the ratio of homes for sale to those sold. Prepared exclusively for PB&R by Cahners Economics.

Regional Market Conditions
(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Providence	-13.1%	$85,637	[illegible]	-0.8%
Buffalo	-11.9%	$111,544	+18.4%	+0.8%
Washington, D.C.	-24.6%	$53,304	-5.5%	-0.1%
Birmingham	+1.7%	$87,015	-5.8%	+1.8%
Little Rock	+11.0%	$81,848	-5.7%	+1.5%
Indianapolis	+2.1%	$109,327	+7.6%	+1.0%
Des Moines	+19.0%	$90,943	+49.1%	+0.7%
Albuquerque	-8.6%	$91,923	[illegible]	+0.4%
Portland, Ore.	+25.3%	$1109,235	+40.1%	+3.0%

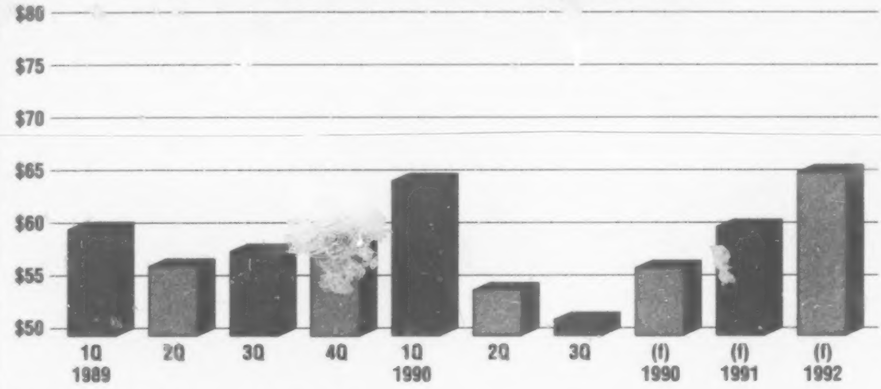
Source: U.S. Departments of Commerce and Labor

Existing Single-Family Home Sales



Data reflect seasonally adjusted annual rates, in thousands.
Source: National Association of Realtors. Forecast by Cahners Economics.

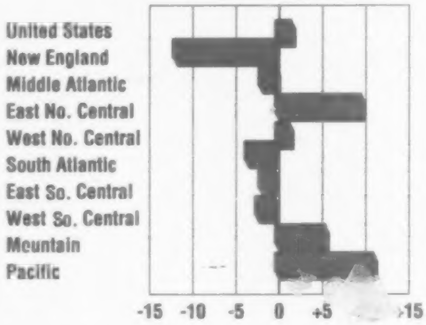
Consumer Spending On Remodeling/Improvements



Data reflect seasonally adjusted annual rates, in billions of $.
Source: U.S. Department of Commerce. Forecast by Cahners Economics.

Remodeling Permit Value Trends

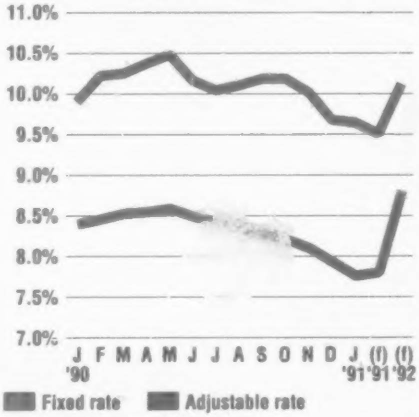
(Full-Year 1990 vs. 1989)



Source: U.S. Department of Commerce.

Mortgage Interest Rates

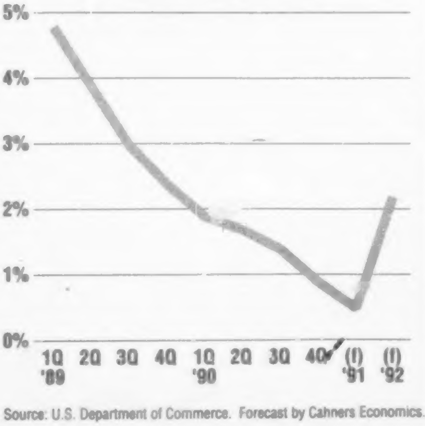
(Monthly Average)



Source: Federal Home Loan Mortgage Corp.
Forecast by Cahners Economics

Growth In Real Disposable Personal Income

(Over-The-Year % Change)



Source: U.S. Department of Commerce. Forecast by Cahners Economics.

Key Trends At A Glance

	Dec 1990	April 1990
Total housing starts*	987	1216
New home sales*	463	533
Remodeling permit trend	+1.9%	+3.4%
Consumer confidence index**	61.2	107.3
Median price of new home***	$133.	$130.
Fixed-rate mortgages	9.67%	10.37%
Construction wage trend	+1.5%	+2.8%

* Seasonally adjusted annual rate in thousands.
** 1985 = 100.
*** In thousands.

Uncertainty, War, Lack Of Confidence Breed Low Numbers

Housing starts declined for the eleventh time in the last twelve months during January. The startlingly low rate of 850,000 units was the lowest recorded since February 1982. The numbers reflect the intractable twin problems faced by builders—low consumer demand and financial constraints to development.

The latest starts report showed problems in single-family construction deepening, while multifamily activity showed signs of bottoming out. The uncertainty surrounding the length and nature of the Persian Gulf War clearly had a profound impact on businesses and consumers alike. Consequently, the bad numbers recorded during the past months are not accurate indicators of where we are likely headed.

All regions of the country recorded declines in units started last year. The Northeast saw the largest drop, with construction starting on 26.6% fewer units. Residential construction markets in the West weakened markedly, and starts ended the year 16.9% below the 1989 level. The South recorded a drop of 10.5%, while the Midwest saw a 4.7% decline.

Building permit data shows two subregions where residential permit values actually increased last year—in the face of a national average decline of 14.1%. Permitted construction values increased by 8.9% in the "Oil Patch" states and by 8.4% in the Rocky Mountain states. □

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Professional Builder® & Remodeler

THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER

MAY 1, 1991

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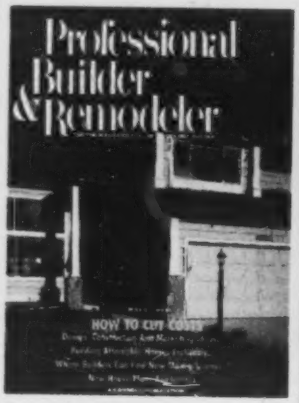
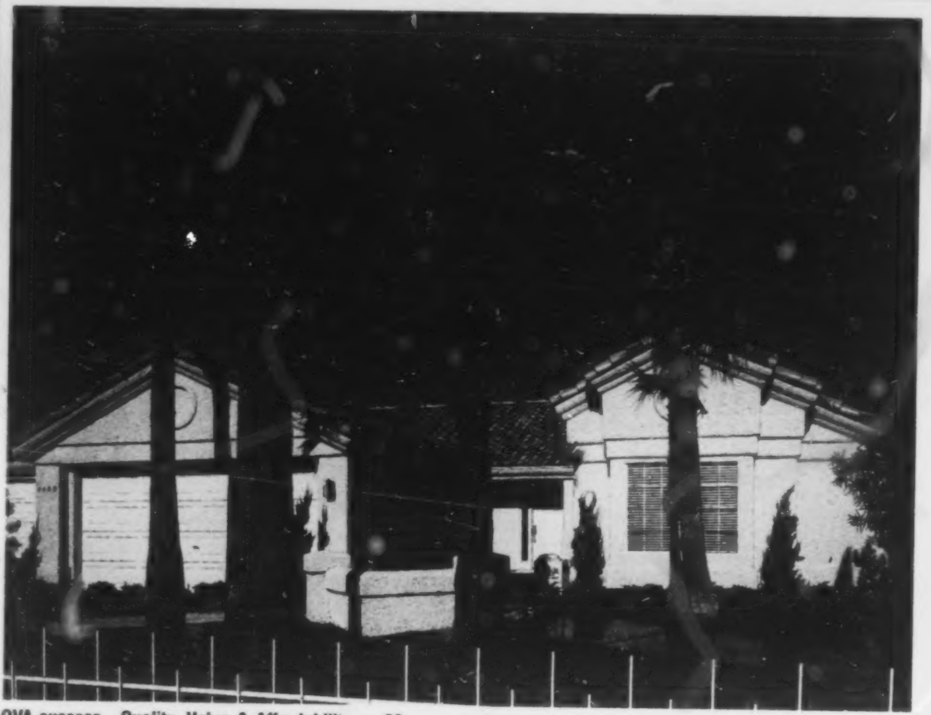


On The Cover

■ Falcon Homes' Sagamore neighborhood at Stonegate Village, Denver, features the La Paloma model, a 2246-square-foot home with a $132,950 price tag. Design was by Denver architects Knudson Gloss, with interiors by Hillary Reed. Photography by Sunlit Ltd.



QVA success—Quality, Value & Affordability: p. 62.

FEATURES

17 Great Cost-Cutting Ideas 52

This special issue features field-tested ideas to help lower costs in construction, design, financing and marketing.

Let America Build Part IX:
Lower Costs To Improve Value 62

If you're looking for ways to maximize quality per pricing dollar, take a close look at the four extremely successful projects profiled here.

Let America Build Part X:
New Money Sources 72

Builders tell how they've tapped private investors, joint venture partners, small lenders, government programs, insurance companies—even lumberyards—for financial backing.

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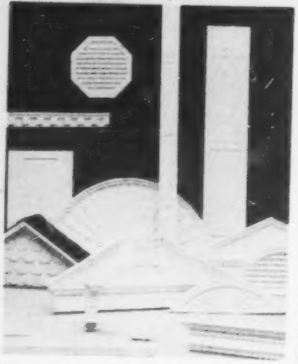
Cost-cutting ideas from the field: p. 52.

Ceramic tile trends: p. 41.



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Business

■ In these still-nervous times, understanding buyer psychology and consumer confidence is critical to good business. The nation's Giant builders tell what they are doing to turn increased traffic into increased sales: *p. 12*. Legislative help to tackle the credit crunch and RTC woes may be on the way, but political infighting is sure to slow its course: *p. 20*.

Management

■ For many in the remodeling business, the art of pricing seems a blend of science and voodoo. But whether or not you think there can ever be a formula for pricing, certain important rules do apply. Leading remodelers share their estimating tips: *p. 31*.

Marketing

■ Creative tile installations can help sell homes. Just ask Carlyle Perry of C.V. Perry & Co., Columbus, Ohio. He employs an interior designer who studies tile trends. Take a look at some unusual applications, such as driveways: *p. 41*.

Technology

■ Innovative HVAC systems entering the market can offer utility-bill savings as well as a fresh-air environment in the home: *p. 79*. The new housing bill's energy initiatives are said to point the nation in a more efficient direction: *p. 80*.

Let America Build

Control Costs By Finding New Money Sources

Let America Build: Part X

Handcuffed by the disruption of AD&C money due to FIRREA, the collapse of the domestic thrift industry, and uncertainty in financial markets, builders have been forced to seek out alternative sources. For most builders, this is becoming an issue of survival.

By David Heinly &
Christina Farnsworth,
Senior Editors

The approach of spring, an apparent surge in consumer confidence following a swift victory in the Persian Gulf War, and the holding of mortgage interest rates below the magic 10% level were among factors that helped account for February's surge in home building.

While those figures would not mean the recession was coming to an end, NAHB President Mark Tipton could say, "We probably turned the corner."

There was little, however, to indicate that an easing of the "credit crunch" was also in sight.

The plight of the thrift industry continued to deteriorate with an angry Congress forced to vote additional funds to finance the escalating cost of liquidating failed institutions. There also were few initial signs that federal bank examiners had eased their harsh scrutiny of lender portfolios in response to an earlier directive to ease, among other things, loss reserve requirements and accounting rules on certain "bad" loans.

But for many builders stymied by the abrupt cutoff of their traditional sources of Acquisition, Development and Construction financing, the only practical answer has been to seek out alternative sources, turning to new and often unfamiliar sources of potential credit. Survival has meant turning to unaccustomed methods and practices often at odds with what were once tried-and-true business strategies.

"Things have gotten very much better in just the last couple of weeks," says Charlottesville, Va., builder Suzanne Grove. A builder chiefly of custom-spec homes for a normally active transferee market related to the nearby University of Virginia, Grove felt the impact of the credit crunch as sharply as any. She stopped building last year when potential buyers found themselves unable to sell their existing homes in other areas.

But with the recent signs of a turnaround, Grove realized "I've got to get something started or I'm not going to have anything on the market."

Hoping to revive her upscale custom niche with units on lots she already owned, Grove turned to the S&L with whom she had worked for years and which, like many similar institutions, recently had converted to a savings bank.

Despite an approved line of credit secured by her own home and the fact that she had arranged permanent financing for *all* her buyers with the same institution, Grove was rejected. The bank found her plans for high-end custom homes too risky and advised her to build less expensive homes which, the bank indicated, they might finance.

Unwilling to abandon her niche for a market with which she had no experience, she turned to a competing lender. Grove, who is a national director of NAHB, is counting on her reputation for success, for sound business judgment and, significantly, for having never defaulted on a loan.

Her strategy is to pledge her buyers' permanent financing as part of

The three-dimensional mixed media and currency collages shown throughout this story are the work of Barton Lidice Benes represented in Chicago by the Hokin Kaufman Gallery. Above is "Palette" 1990. Photos: Marc Barlow

the deal for her own construction loan. "The best thing that any builder can do," she says, "is to be very upfront, very candid and very forthcoming with whoever their lending institution is.

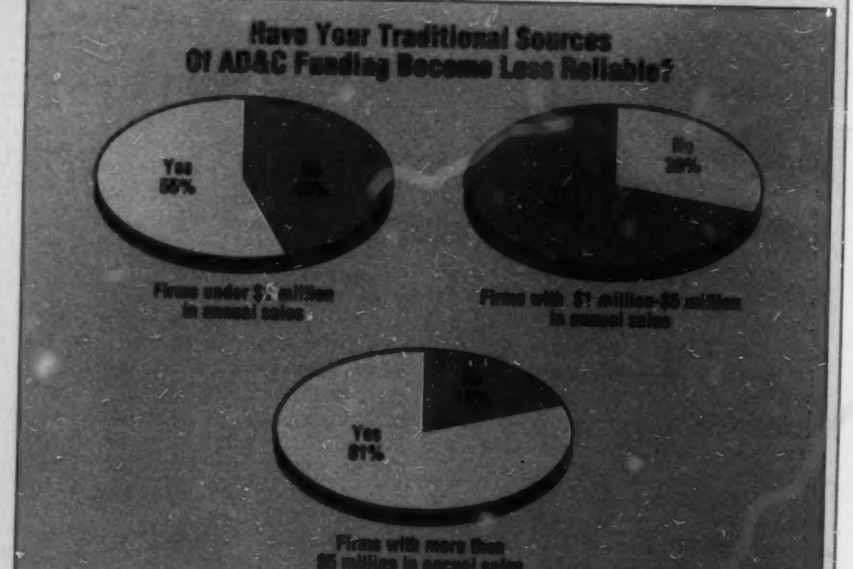
"If I'm going to be even a day late, I call them and tell them," she says. "It's really important to keep in close touch with them. Then they don't get as worried."

Ormond Beach, Fla., builder Andrew H. Gibbons found the credit crunch a double-barreled blast for construction loans. Florida S&Ls, says Gibbons, not only were impacted directly by the federal examiners' crackdown but indirectly by the collapse of S&Ls elsewhere in the country.

With a predominantly transferee market—95% of his customers are emigres from the Northeast—Gibbons found that his buyers, mindful of the thrift disasters "back home," would not seek mortgage loans from Florida thrift institutions.

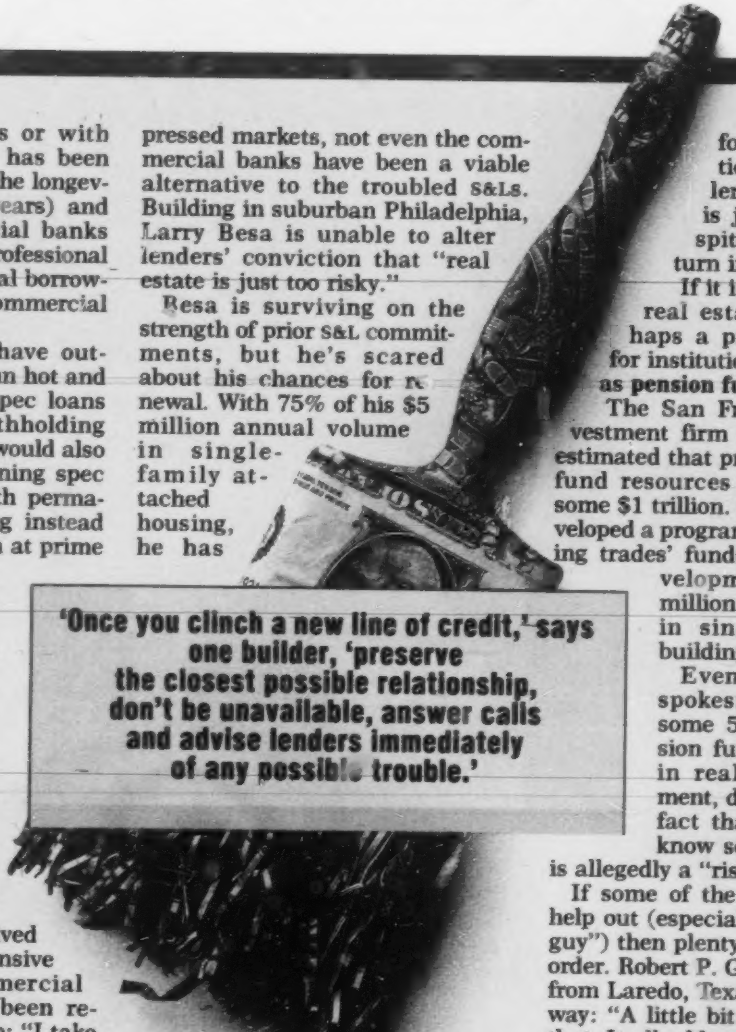
"So then the commercial banks started doing it all," he says. "Now my spec loans come out of commercial banks also, even though at one time commercial banks didn't want to do loans on specs."

Gibbons, who formerly had credit lines outstanding with five different institutions, says he has found little difference in doing business



Source: PB&R Builder Survey-Spring 1991.

Credit is easing in some markets as experienced S&L loan officers join commercial banks



'Once you clinch a new line of credit,' says one builder, 'preserve the closest possible relationship, don't be unavailable, answer calls and advise lenders immediately of any possible trouble.'

with commercial banks or with S&Ls. The key, he says, has been his excellent reputation, the longevity of his business (14 years) and the fact that "commercial banks seem to be a little more professional with the people (individual borrowers as compared with commercial borrowers)."

The banks, he says, have outgrown the tendency to "run hot and cold" (arbitrarily doing spec loans on one occasion yet withholding funds on another). Many would also refuse to do loans combining spec or construction loans with permanent buyer loans, offering instead to do "a construction loan at prime plus and then do a closing down the road on the home buyers."

Things changed, Gibbons says, in part because some S&L loan officers had joined the commercial banks, so that in many instances the banks had come to him seeking his business. "The commercial banks are even able to do a little bit better on spec lending rate structure."

Gibbons also has perceived a need for more comprehensive presentations to commercial banks than might have been required just a few years ago: "I take them a package 4 inches thick on the company. They all want two years of history on company performance—I give them five."

Gibbons is a family-owned business begun some 15 years ago by his father (who had been a mortgage banker for 10 years before that). The son learned many lessons about banking, and now he says, "When I go to meetings, I don't talk to other builders—I talk to bankers, about their plans, rate trends and whether they will qualify certain buyers. It helps me, and it helps my buyers."

For many builders in severely depressed markets, not even the commercial banks have been a viable alternative to the troubled S&Ls. Building in suburban Philadelphia, Larry Besa is unable to alter lenders' conviction that "real estate is just too risky."

Besa is surviving on the strength of prior S&L commitments, but he's scared about his chances for renewal. With 75% of his $5 million annual volume in single-family attached housing, he has found little lender interest in what has been a depressed market.

Turning to insurance companies has yielded no help, he says, because major lenders (including pension funds and even foreign investors) seem interested only in large operations with management depth, market expertise, and above all, volume: "The little guy hasn't got a prayer."

Lenders, he adds, are demanding higher equity with builders already owning the land and development infrastructure already in place before doing construction loans. For most lenders, "real estate is just too risky," despite signs of an upturn in demand.

If it is risky for bankers, real estate looms as perhaps a prohibitive gamble for institutional investors such as pension funds.

The San Francisco-based investment firm of McMorgan Co. estimated that private U.S. pension fund resources last year totaled some $1 trillion. McMorgan has developed a program to package building trades' funds into housing development. Some $300 million had been invested in single-family home building last year.

Even so, a company spokesman says, only some 5% of trades' pension funds were invested in real estate development, due basically to the fact that fund managers know so little about what is allegedly a "risky business."

If some of the "big boys" won't help out (especially with the "little guy") then plenty of creativity is in order. Robert P. Gutierrez, a builder from Laredo, Texas, sums it up this way: "A little bit of this, a little of that. It all adds up."

Gutierrez's 18-year-old company, Armadillo, has just finished climbing out of a deep hole. In 1982, he was $20 million in debt. The RTC took over the S&L that he had a $2.5 million line of credit with and a $1 million loan that was in default on a condo project. RTC officials told him that they could not continue doing business.

However, Gutierrez was able to talk the S&L officials into allowing him to sell the condos at a fire sale (it netted them 65 cents on the dollar) and then forgive the rest of the outstanding loan. His action got rid of a soured project, a bad debt and at least partially saved Armadillo's credit rating.

He then turned to a **private investor**. Gutierrez asked that investor to pledge a $250,000 certificate of deposit as collateral on a $1 million line of credit with a local bank. The risk for the investor was losing the CD. The potential benefit was getting the 8% interest the bank was already paying on the CD plus another 6% from Armadillo—a total of 14% interest on the CD money.

From there, Gutierrez talked a **land owner** into subordinating land to build houses on. He signed a note with the land owner, who agreed to accept payment when Armadillo had closed on the house loan. The land owner then gave clear title to the bank before construction began and took a second lien position.

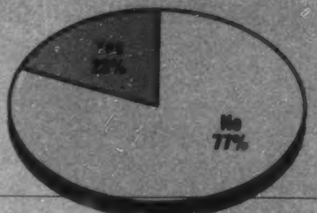
After three or four years of doing business with the land owner by this method, Gutierrez pointed out that he could sell houses and lots faster if he could build spec homes. The banks would not fund spec homes. So he talked the land owner into providing Armadillo with a $250,000 line of credit at 17% interest to built spec houses on the subordinated lots.

How did Gutierrez talk private investors into taking such risks? He cites his 18-year track record and notes that Texas was blindsided by the depression—one day houses and condos were selling, the next day they weren't.

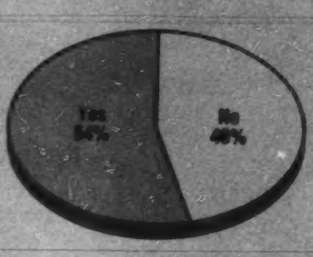
Gutierrez also works with **joint venture** partners. The partner signs the note for the loan. Armadillo builds, markets and sells the houses. Armadillo and the partner split the profits 50/50. Successful friends are the source of much joint venture financing, though he cautions that you take care with such relationships not to jeopardize the friendship.

Sometimes getting money requires recasting the product to fit **smaller lenders'** pocket books. Bob Wolfe, project manager with the Pasadena, Calif.-based Whitehawk Partnership, is working to rephase a project. Unable to get financing to complete the last 138 units of a 288-unit project, the company has returned to local officials to recast the project in phases of 40 units each. Smaller-size phases require smaller loans and make the project accessible to smaller lenders.

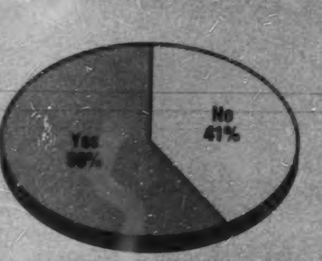
Have You Cultivated New Sources Of AD&C Financing?



Firms under $1 million in annual sales



Firms with $1 million-$5 million in annual sales



Firms with more than $5 million in annual sales

Source: PB&R Reader Survey-Spring 1991.

For small-volume builders, especially those with volume less than $2 million annually, home buyers can often provide the construction financing. Many custom builders in particular use **owner financing** for construction. Buyers may find it easier to get credit than builders; the loan truly qualifies and commits the home buyer. The benefit to the buyer is the immediate use of the home mortgage interest deduction.

In Blaine, Minn., near the twin cities, Betty Hardle of Good Value Homes has gone to local **lumber yards** for financing. Several Minnesota lumber companies have developed financing subsidiaries, a logical extension of activity, since builders without financing cannot build and have no need to buy lumber.

With annual volume averaging $28 million, Good Value Homes had terrific financing with an open line of credit with a pair of local banks. It was easy to finance houses without a lot of documentation. But that relationship was disrupted when the bank adopted a different lending policy.

Under the new arrangement, the lumber company's financing arm charges more interest than the bank did and requires extensive loan documentation. Hardle estimates that the extra interest costs and overhead add from $500 to as much as $1000 to the cost of a house. On the other hand, she says it is a pleasure to deal with people who know and understand the building business.

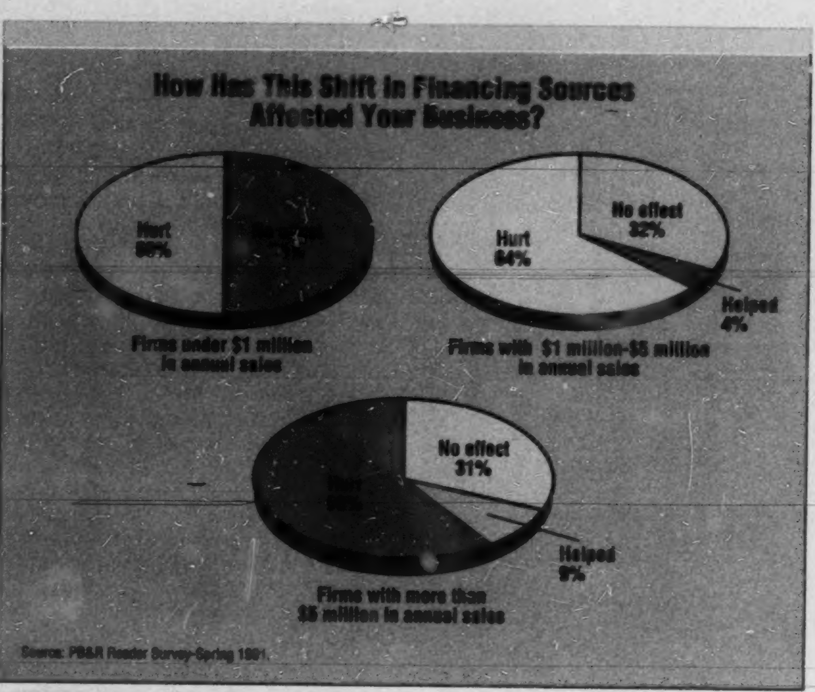
J.J. Molinar of Gemcraft in Phoenix has found it so difficult to get financing for new construction that he has turned to **low-income housing rehabilitation**. In one case, he rehabilitated 31 houses that the city owned outright as part of a project to give housing to single-parent households headed by women. He is also doing work with the RTC and the Farmers Home Administration.

There is no money for new construction through **government programs**, he says, but there is rehab work available through non-profit groups that have gotten rehab funding through the government.

There are new money players in the field, and they are looking for

Let America Build

There's great hope for the secondary market for construction loans approved by Fannie Mae and HUD



Source: PB&R Reader Survey-Spring 1991.

business. Charlie Knutson, Knutson Brothers Builders, West Allis, Wisc., is a professional residential remodeler. Though he can still get his clients financing through S&Ls, other lenders such as **consumer finance companies**, are shopping him for his business.

However, Knutson finds that one of his biggest challenges is educating lenders. Clients will call their lender for a home equity loan. The lender will ask what the "appraised tax value" of their house is. In many parts of the country, the appraised tax value is a great deal lower than market value.

Knutson can help buyers get financing through lenders who will appraise the house at "market value" and base their loan on that. Knutson also is encouraging lenders to lend (as they do on new construction) based on the value of a home once it is remodeled. Even on modestly valued homes, these distinctions can result in a significant amount of available money.

Stephen Wickens, Wickens Development Corp., Lansing, Mich., however, sees a big positive to the credit crunch. A second-generation builder, he feels that a lot of marginal projects and marginal players have been weeded out of the business. Wickens does 80% multifamily construction built and held for its own investment and 20% commercial construction.

Even though Wickens can provide substantial equity for his projects and has a good relationship with local banks, he is still looking at other sources for financing. They have done one **Delegated Underwriting and Servicing loan (DUS)**. These loans are available through lenders that Fannie Mae has screened and approved. They serve almost as surrogate Fannie Mae lenders approving and underwriting loans. There is risk sharing for potential losses on such loans. The project included 68 existing units that were 15 years old to which they added 120 new units.

He also has obtained a three-year miniperm loan for a current project with the hopes of getting **insurance company** financing down the road when the project is entirely finished and fully leased. Insurance companies, he points out, cherry pick, so only the best projects get financing.

One of the respondents to *PB&R*'s survey with an annual dollar volume of $6.7 million, wrote that their company was looking at **foreign investors** but having no luck—"Too many scams, no substance."

But some larger companies would disagree. RGC in Newport Beach, Calif., has had great success in joint venturing with foreign investors. E. James Murar, chairman of the company, feels that the window of opportunity for builders to form relationships with foreign investors may be closed for at least a year. Murar began developing his ties with foreign investors early in 1989.

To find such investors, builders usually need to go through intermediaries. There are companies set up specifically to serve as intermediar-

ies, although some large banks and accounting firms also serve as go-betweens.

Foreign investors are as sensitive to the intuitive feeling they have about a partner and the location of the property as they are about numbers needed to make the deal work.

Murar feels that RGC and his Japanese investor partners moved quickly through a series of meetings that began in April 1989 that resulted in structuring their first venture in September 1989. Many ventures take much longer. RGC structures its foreign ventures as partnerships in which RGC is the general and the foreign investor the limited partner. The Japanese brought construction capital from a Japanese bank as part of their deal. Another venture involving a Saudi Arabian businessman included an Islamic bank as a lender for the project.

It is crucial, Murar feels, to treat foreign partners as you would like to be treated—on equal footing with respect for them personally and an understanding of their customs. Murar also says that it is important for the senior-level people to dedicate their time to building the relationship and structuring the deal.

Another hopeful sign is a **secondary market for construction loans** approved earlier this year by Fannie Mae and HUD.

Under what is to be a pilot program limited to $100 million in total commitments, Fannie Mae will purchase up to $50 million in lender originated construction loans for single-family housing.

Lenders must pass muster by 1) having a long, successful history in single-family construction lending; 2) be unable to make the loan to an existing borrower because the loan would push the lender over the legislated limit on loans to one borrower (under the Financial Institutions Reform and Reconstruction Act of 1989), and 3) be a regulated institution under supervisory organizations such as the FDIC.

Builder borrowers must also meet criteria as successful, long-time builders in single-family housing in the same geographical market and with the participating lender. The builder must be "in strong financial condition" with documenting statements and credit references. Maximum individual loans may be no more than $6 million with a term of no more than 18 months, although extensions are granted.

Fannie Mae officials say the response to the initial January announcement has been substantial, with more than 500 inquiries by early March. The first applications were expected by early Spring.

(Builders and lenders can request further details from the Federal National Mortgage Association, 3900 Wisconsin Ave., N.W., Washington, D.C. 20016-2899. Telephone: 202-752-7000.)

Overall, most builders interviewed were upbeat. This is a time, many said, of getting back to the basics. Gutierrez, for example, no longer buys trucks for his project managers; he gives them an allowance. Through precise estimating, he has gotten his project variances down to about 1%. He also has his own lumber company.

Wickens says the best advice is not to overextend yourself. His company does one project at a time. You must have enough liquidity to get through the project. "The hard cash dollar investment is what makes a difference to the lenders today," Wickens says.

Nevertheless, as Florida builder Gibbons says, "The bottom line for the S&Ls and the banking institutions is that, for us as builders, it's going to be a rocky road for a long time." □

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PROFESSIONAL BUILDER & REMODELER (ISSN-1053-6353) (GST -123397457) Vol. 56, No. 8 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Frank J. Sibley, Executive Vice President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $139.95, two years $229.95; Canada/Mexico, one year $179.95, two years $299.95; other countries, one year $195.95, two years $325.95. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800. PROFESSIONAL BUILDER & REMODELER, PROFESSIONAL BUILDER and ANNUAL REPORT OF HOUSING'S GIANTS are trademarks of Reed Properties Inc., used under license.

INDICATORS

The Worst Is Behind Us For New Construction

But the economic upturn, while inevitable, will be slow to unfold.

Housing starts surged ahead in February, reflecting post-War builder optimism that the recession will soon be behind us. At an annualized rate of 989,000 units, total starts were still abysmally low. However, the number was slightly ahead of December's home construction pace and 16% higher than the depressed January level.

Both single-family and multifamily starts moved ahead impressively in February. Although regional numbers must be interpreted with caution, they give a sense of what regions could lead the recovery. February starts in the Northeast were flat—further evidence that the bottom has finally been reached here—while the West continued to slide. The South showed a modest rebound and the Midwest recorded a sharp increase.

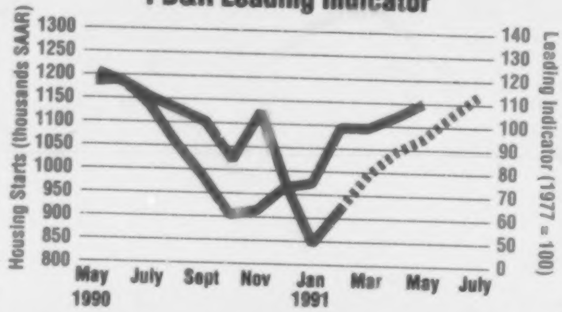
Consumer confidence should improve as we move through the year—partly post-War optimism, but primarily because the economy will move out of the recession. Affordable interest rates will help, and an easing in credit constraints should make more money available to builders. However, all of these positive developments—while inevitable—will be slow to unfold. The total of 1.16 million units will be heavily concentrated in the second half of the year, with the strong momentum carrying over into 1992. □

Size Of New Homes Increased Again During 1990

According to preliminary data from the Commerce Department, the average size of new single-family homes completed during 1990 was 2080 square feet. The median size was 1905 square feet. Both numbers again established new records. New homes with 2400 or more square feet of floor area represented 29% of the 965,000 new single-family homes completed last year, up from just 21% three years earlier.

The average and median sizes of units in newly constructed multifamily buildings also increased last year, to 1010 and 955 square feet, respectively. Forty-four percent of all multifamily units completed last year had two or more bathrooms, up from 39% just three years before, while 11% of the newly completed units had three or more bedrooms, up from only 7% during 1987. □

PB&R Leading Indicator



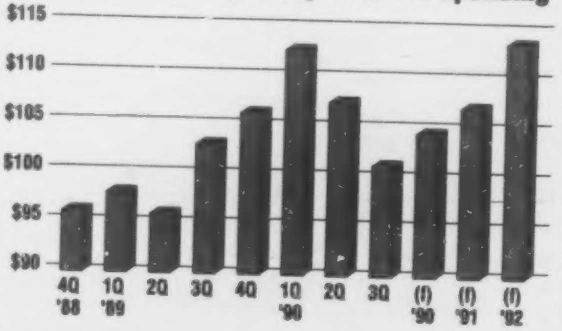
Broken line denotes forecast. Leading Indicator of Housing predicts short-term changes in residential construction over approximately the next quarter. Latest figure is based on May data and includes the Standard and Poor's h-b stock index, 90 day T-bills, bank reserves, consumer confidence index and the ratio of homes for sale to those sold. Prepared exclusively for PB&R by Cahners Economics.

Regional Market Conditions
(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Portland, Maine	-22.5%	$95,392	-7.2%	-1.3%
Harrisburg	-9.1%	$81,403	-1.9%	+2.8%
Orlando	-3.0%	$88,625	-13.4%	+2.8%
Knoxville	+5.8%	$88,456	+5.4%	-1.7%
San Antonio	+4.0%	$82,414	-18.5%	+1.0%
Milwaukee	+1.8%	$108,374	+3.2%	+1.7%
Omaha	+6.3%	$70,308	-2.3%	+2.4%
Salt Lake City	+18.2%	$87,839	-43.1%	+2.9%
San Diego	-34.5%	$174,476	+15.4%	+2.1%

Source: U.S. Departments of Commerce and Labor.

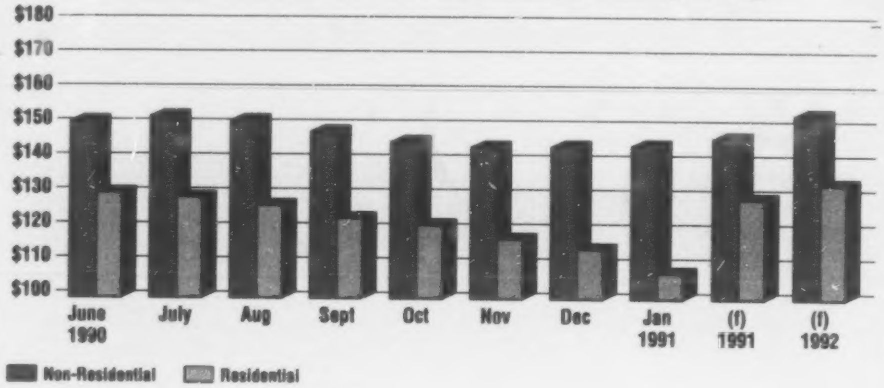
Residential Upkeep & Improvement Spending



Data reflect seasonally adjusted annualized rates, in $billions.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

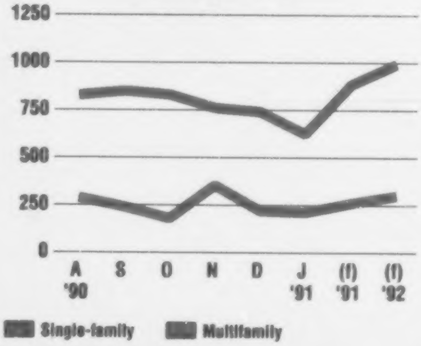
INDICATORS

Non-Residential & Residential Construction Spending



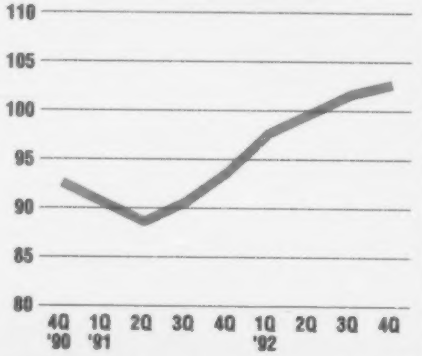
Data reflect seasonally adjusted annualized rates in $ billions.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Housing Starts



Data reflect seasonally adjusted annual rate in thousands.
Source: U.S. Department of Commerce. Forecast: Cahners Economics

PB&R Market Forecast

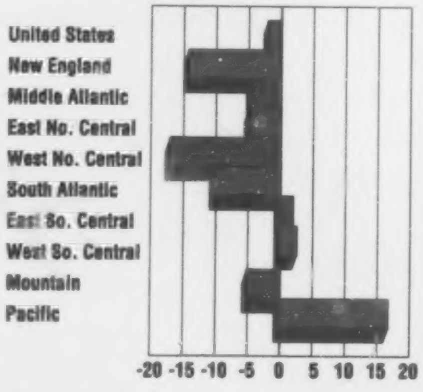


Index represents weighted average of forecast trends in residential, remodeling and light-commercial construction markets. Data are expressed in "real" terms, i.e. adjusted for the effects of inflation.

Source: Cahners Economics

Residential Remodeling Permit Value Trends

(Year-To-Date 1991 vs. 1990)



Source: U.S. Department of Commerce.

Key Trends At A Glance

	Jan 1991	Dec 1990
Total housing starts*	850	975
New home sales*	408	465
Remodeling permit trend	-2.0%	+1.9%
Consumer confidence index**	55.1	61.2
Median new home price***	$121.8	$126.9
Fixed-rate mortgages	9.64%	9.67%
Construction wage trend	+1.6%	+1.5%

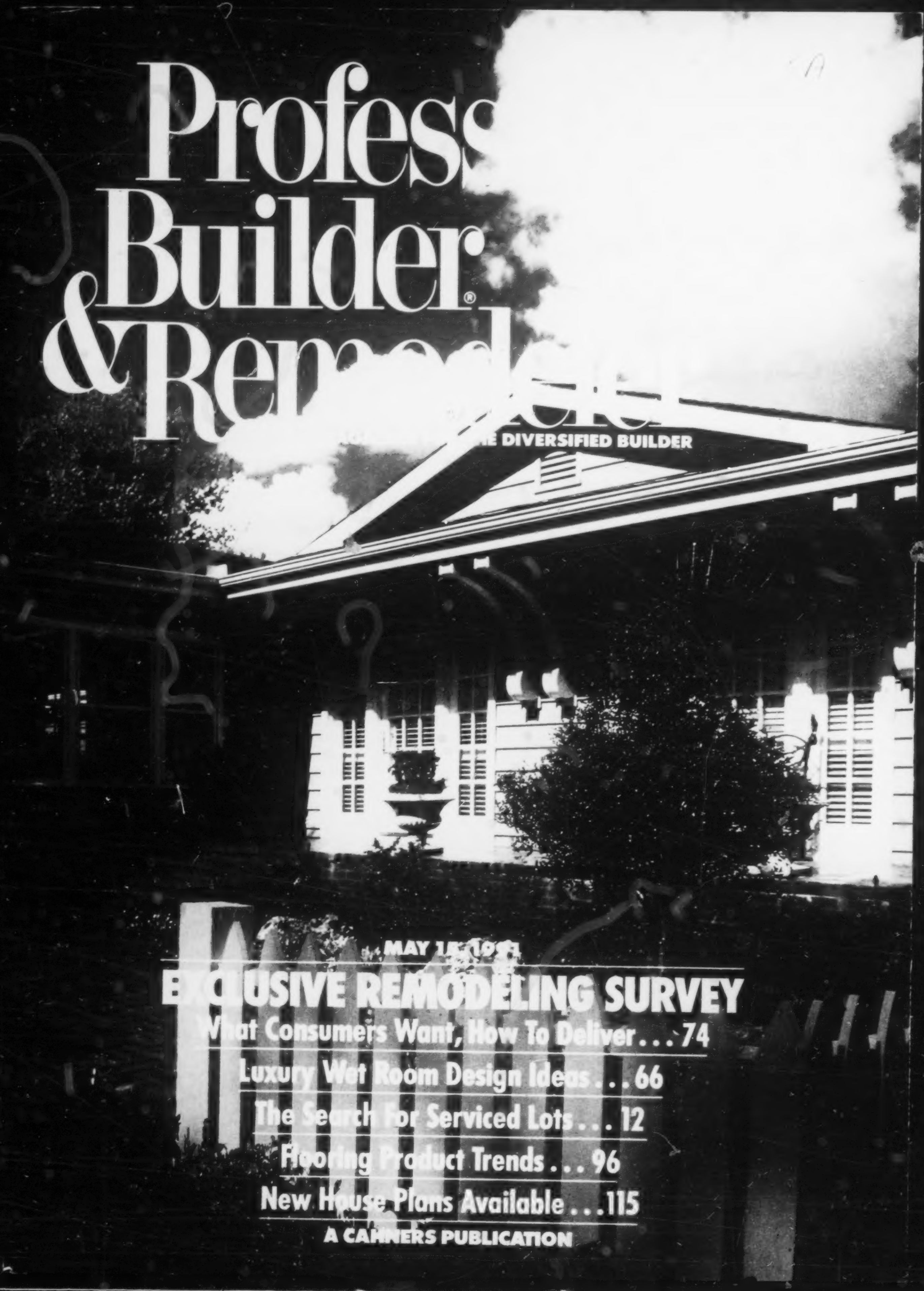
* Seasonally adjusted annual rate in thousands.
** 1985 = 100.
*** In thousands.

1990 Inventory Of New Houses For Sale Declined Sharply

When home buyers start to return to Realtors' offices and model homes in earnest—and there is at least anecdotal evidence that suggests that this long-awaited phenomenon has already begun—the home building industry is in a good position to benefit immediately. Not surprisingly, given the sustained period of declining new construction activity, the supply of unsold new homes on the market is at an unusually low level.

According to Commerce Department data, the inventory of new single-family homes for sale at the end of 1990 totaled 322,000 units. This was down from the 366,000 units unsold at the end of 1989 and represented the smallest number of new homes on the market since the end of 1983. Of the 322,000 homes, 118,000 (36.6% of the total) were completed and ready for sale, 147,000 were under construction (45.7%), and the remaining 57,000 (17.7%) were units for which building permits had been issued but had not yet been started.

Between 1984 and 1989, an average of 363,000 single-family homes were available for sale at the end of the year. With the current inventory level more than 11% below this average, there is good reason to expect that additional supply will have to follow closely on the heels of a significant pick-up in consumer demand—a pick-up that should soon be in evidence. □



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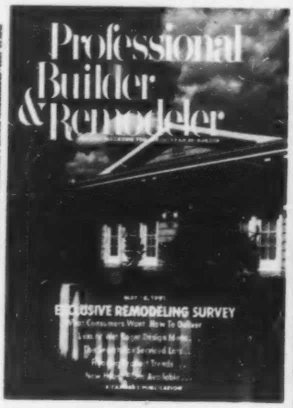

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EXCLUSIVE REMODELING SURVEY

On The Cover

■ When Tulsa's Ken Klein, Kleinco Construction Services, completely remodeled this 1920s era farmhouse, he discovered that he wasn't the first. As near as he could tell, the 4200-square-foot building had been renovated at least five times in previous years. Klein completed the work for $60 a square foot. Photography by Marc Berlow.

Luxury wet-room stylings: p. 66.

Special roof techniques: p. 93.

FEATURES

Luxury Wet Rooms 66

The best builders and remodelers are able to work magic in these rooms, turning traditional elements into fresh designs—garden spaces, party kitchens and great rooms—that reflect the distinctive lifestyles of discretionary buyers.

1991 Remodeling Survey: What Consumers Want 74

Quick turnaround times, quality workmanship and moderate costs—they are the top demands of consumers who undertake a remodeling project. But is the industry delivering?

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New flooring products: p. 96.

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Business

■ With A&D funds in short supply, many builders are being forced out of the land development business and looking to large developers for finished lots: *p. 12*.

Markets

■ Most builders of golf-related communities concentrate on affluent buyers. But some now see potential in getting prices under $200,000 to tap the mother lode of baby boomers taking up the game: *p. 21*. Integrated software helped Harding Hill Homes, Princeton Junction, N.J., grow from $1 million in annual sales to $15 million in four years: *p. 24*. How an extensive renovation became a remodeler's own show home: *p. 28*.

Marketing

■ Don Glendenning is generating business by offering to buy his clients' homes. Details on how the program works: *p. 45*.

Technology

■ A St. Louis builder stays competitive by combining style with savings. A special roof technique, for example, gives his homes extra energy value: *p. 93*.

Next Month

■ In the June 1, 1991 issue: Our very popular "Best of the West" feature on top-selling homes from California, Arizona, Colorado and Texas.

BUSINESS

■ AD&C

Land Development: Best Left To The Master Planners?

With A&D funds in short supply, many builders are looking to large developers for finished lots.

The credit crunch, along with regulatory and growth constraints, is forcing some builders out of the land development business.

As development is a lengthy, costly process, smaller builders tend to feel the risks outweigh the rewards. They now often opt for the safety of buying improved lots from others. (The chart at right indicates changes in lot prices from 1980 to 1990 in selected markets.)

"A lot of builders can't get the financing to do acquisition and development," says Don Alexander, president of Marlex Housing, Boca Raton, Fla. "Some of the larger companies, like Arvida, will develop lots and sell them to builders. But it's not a real great picture here for a builder trying to go out and get an A&D loan."

Marlex participated in a joint venture with Ahmanson Developments, Diamond Bar, Calif., in which the builder found the land and the developer purchased and developed it. However, Ahmanson is not entering into any new ventures at this time, Alexander reports.

Kim Boutelier, president of Ahmanson, thinks the future will be "a wave of institutional developers that will buy the big pieces of property, make the monetary commitment to get those pieces entitled, take them to finished lots and sell them off to merchant builders. It's going to put a real squeeze on the middle-tier builder/developer."

Because Ahmanson is owned by Home Savings of America, "we're marching in place until the S&L situation gets sorted out," says Boutelier.

Ben Martz, CEO and chairman of the board of Regency Homes, Coral Springs, Fla., says that the few lenders who still make AD&C loans want tremendous equity down, sometimes as much as 50%.

"We build in subdivisions and communities that are controlled by large master developers such as Arvida, which is owned by JMB Federated and Coral Ridge Properties, which is a wholly owned subsidiary of the Westinghouse Electric Co.," says Martz. "These developers have been around a long time; they're well financed, and they own tens of thousands of acres.

"The advantage," he adds, "is that they land bank it, they zone it, they plat it, they develop it, they do all the work. And they can weather the storms better than the little guys."

However, Martz pays a higher price for the finished lots than if he bought and developed the raw land himself: "My margins are smaller than if I did my own development, but I don't have the risk or the carrying costs."

Dealing with major developers takes stamina, he says. "Some builders wouldn't stand for a developer telling them what architect to use to design their models, or what color to paint their house."

Residential Lot Prices For Selected Metro Areas

	1980	1985	1990	Annual % Change
Northeast/Midwest				
Boston	$23,750	$45,000	$90,000	14.3%
Cincinnati	$15,000	$17,500	$18,000	1.8%
Hartford	$20,000	$25,000	$35,000	5.8%
Indianapolis	$12,000	$16,500	$21,000	5.8%
Kansas City	$14,000	$15,000	$26,500	6.6%
Minneapolis	$20,000	$22,000	$25,000	2.3%
Pittsburgh	$16,900	$20,000	$29,500	5.7%
St. Louis	$15,000	$20,000	$25,000	5.2%
South				
Atlanta	$13,250	$16,000	$18,000	3.1%
Charlotte	$9,500	$14,250	$16,000	5.4%
Chattanooga	$7,500	$8,750	$10,150	3.1%
Dallas	$16,000	$30,000	$32,500	7.3%
Ft. Lauderdale	$21,250	$25,000	$48,000	8.5%
Houston	$12,000	$20,000	$18,000	4.1%
Jacksonville	$12,000	$17,250	$30,000	9.6%
Lexington	$14,000	$25,000	$31,000	8.3%
Louisville	$15,125	$25,000	$23,000	4.3%
Miami	$25,000	$30,000	$37,500	4.1%
New Orleans	$21,000	$35,000	$32,000	4.3%
Oklahoma City	$13,000	$15,000	$15,000	1.4%
Raleigh	$14,500	$25,000	$30,000	7.5%
West				
Albuquerque	$21,250	$28,500	$37,500	5.8%
Boulder	$25,000	$35,000	$43,000	5.6%
Phoenix	$20,000	$30,000	$30,000	4.1%
Portland	$22,000	$22,000	$31,250	3.6%
Salt Lake City	$16,625	$19,750	$25,500	4.4%
San Diego	$40,000	$50,000	$150,000	14.1%
San Jose	$40,000	$70,000	$230,000	19.1%
Seattle	$20,000	$31,000	$77,500	14.5%
Tacoma	$16,500	$21,000	$23,000	3.4%

Note: Each price represents the estimated price of a standard improved, 10,000-square-foot lot.
Source: Urban Land Institute

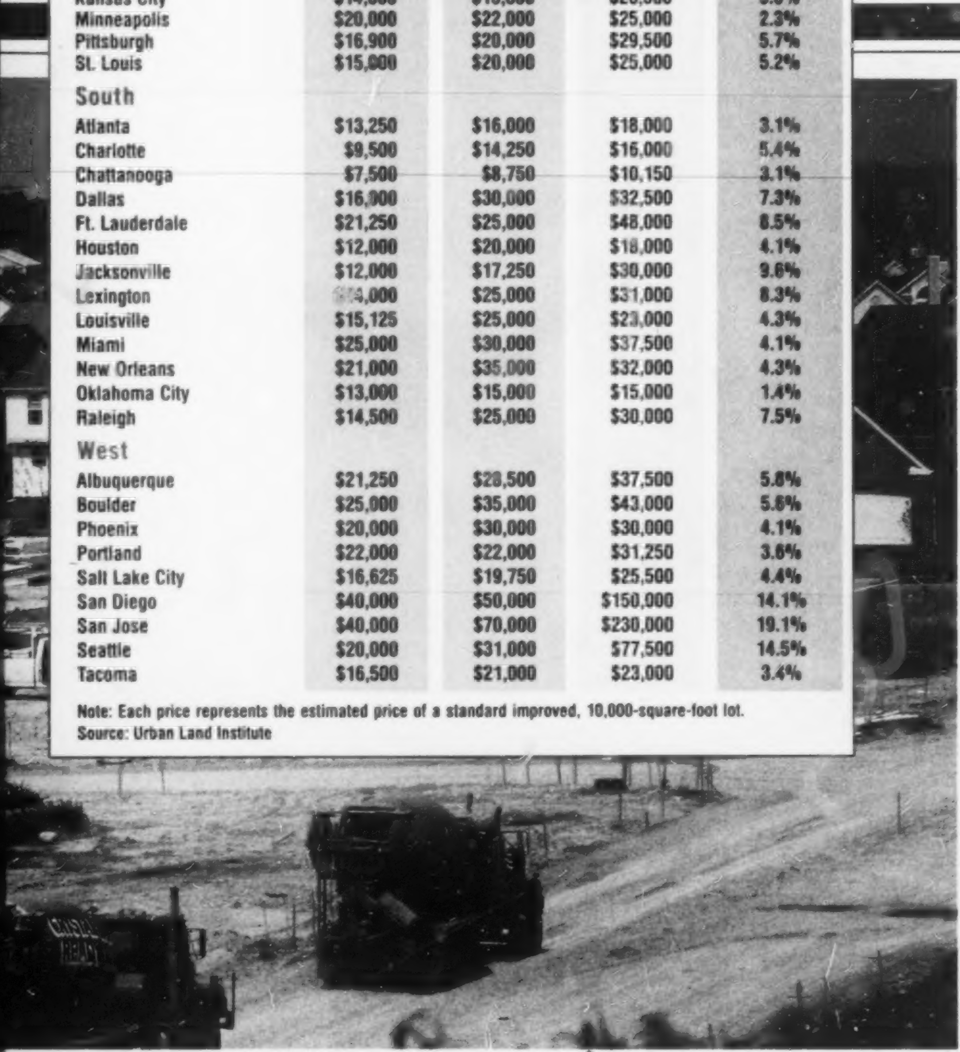


Photo: Marc Berlow

But it's worked out well for us—while other builders were having trouble, last year our sales were up 53%."

Jim Motta, president of the south Florida division of Arvida, headquartered in Ft. Lauderdale, says, "We do programs where we develop the land and sell it to builders on a lot-by-lot basis. Or, we'll sell them a parcel of land, anywhere from 10 to 30 acres, which we will fill. They'll do all the other improvements. We also build our own villages inside communities."

Whereas Martz foresees a shortage of developed lots in Florida, Motta thinks there will be fewer developers.

"It's definitely gotten tougher for a builder to go out and buy his own parcel of land because of the expense of putting in all the infrastructure," he says. "Plus, the approval process takes much longer than it used to. It can be one to three years before the builder can even turn a spade of dirt."

In the Midwest, however, many established builders—large and small—still develop land, both for their own use and sale to other builders. One example is Landmark Homes of Long Grove, Ill., a builder of semicustom homes.

"We find it's an advantage to do both building and developing because we have a certain amount of control over the availability of finished lots, and the design and quality of the community," says principal Peter Bianchini.

Landmark does its own planning in conjunction with local land planners, who supervise the final engineering and installation of the public improvements.

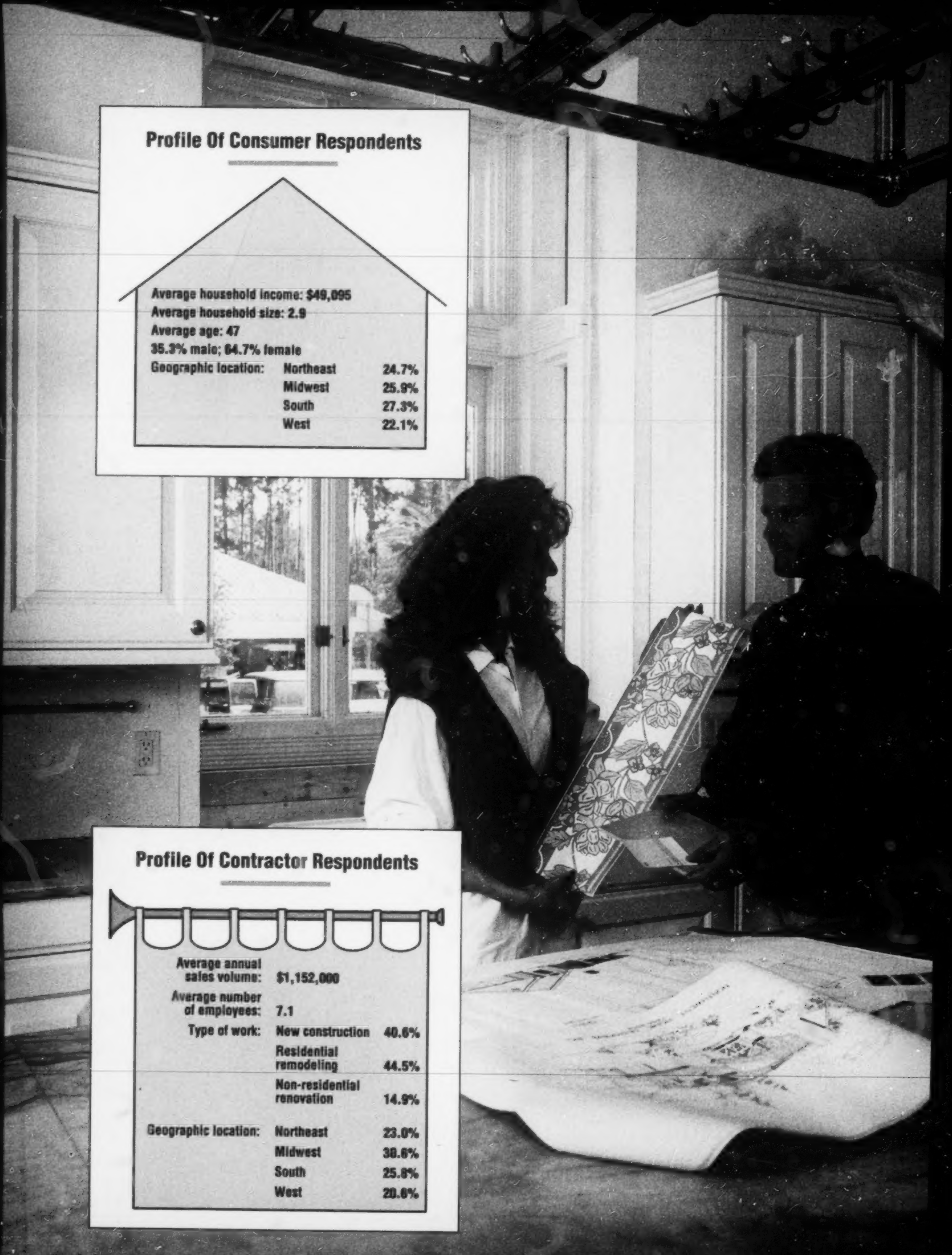
Edwards Land Co. has been a familiar name in Columbus, Ohio, for 30 years. "The local banks feel comfortable with us. We can still get A&D loans, but other developers can't," says President Charlie Driscoll. "The market has definitely contracted, and there will probably be a lot shortage."

Edwards and its homebuilding division, Multicon, is active primarily in suburban Columbus. "We do about 200 lots a year, sell most of them to other builders and keep about one-fourth for ourselves. We try not to carry the land at all. We like to have an option on it until we get the zoning and engineering approvals, then we buy it and start building immediately."

Edwards often forms partnerships with other builder/developers as a safety net for its land ventures.

"Up to now, Columbus has been characterized by a number of small developers, but that will change," says Driscoll.

By Susan Bady,
Senior Editor



Profile Of Consumer Respondents

Average household income: $49,095
Average household size: 2.9
Average age: 47
35.3% male; 64.7% female

Geographic location:	Northeast	24.7%
	Midwest	25.9%
	South	27.3%
	West	22.1%

Profile Of Contractor Respondents

Average annual sales volume: $1,152,000
Average number of employees: 7.1

Type of work:	New construction	40.6%
	Residential remodeling	44.5%
	Non-residential renovation	14.9%
Geographic location:	Northeast	23.0%
	Midwest	30.6%
	South	25.8%
	West	20.6%

Photos: Everett & Soulé

PB&R Exclusive
1991 Survey

What Consumers Want In *Remodeling*

By Andrea LaFreniere, Staff Editor, and
Lisa L. Marquis, Staff Editor/New Products

Quick turnaround times, quality workmanship and moderate costs—according to *PB&R*'s Second Annual Survey of Consumers and Remodelers, that's what homeowners want most from a remodeling project.

Last October, National Family Opinion Inc. queried 1462 families who said they intended to have professional remodeling work done on their homes within the next year. At the same time, the Bureau of Building Marketing Research, *PB&R*'s marketing research affiliate, conducted a tandem study among 1500 builders who say they also engage in professional remodeling work.

The following report, based on the results of the two studies, provides an overview of the kinds of additions and alterations homeowners plan, how they select a builder/remodeler and what products they intend to include in their projects.

Complete copies of both surveys are available. Ordering information is included at the end of this report.

What Motivates People To Remodel

Builders would do well to turn remodeling clients into cost-wise consumers. Builders might also market their design and decorating services more effectively.

When it comes to professional remodeling, consumers have emphatic ideas of who they will hire and how they will execute their projects. However, homeowners' expectations of how much their remodeling jobs actually will cost are, by and large, unrealistically low.

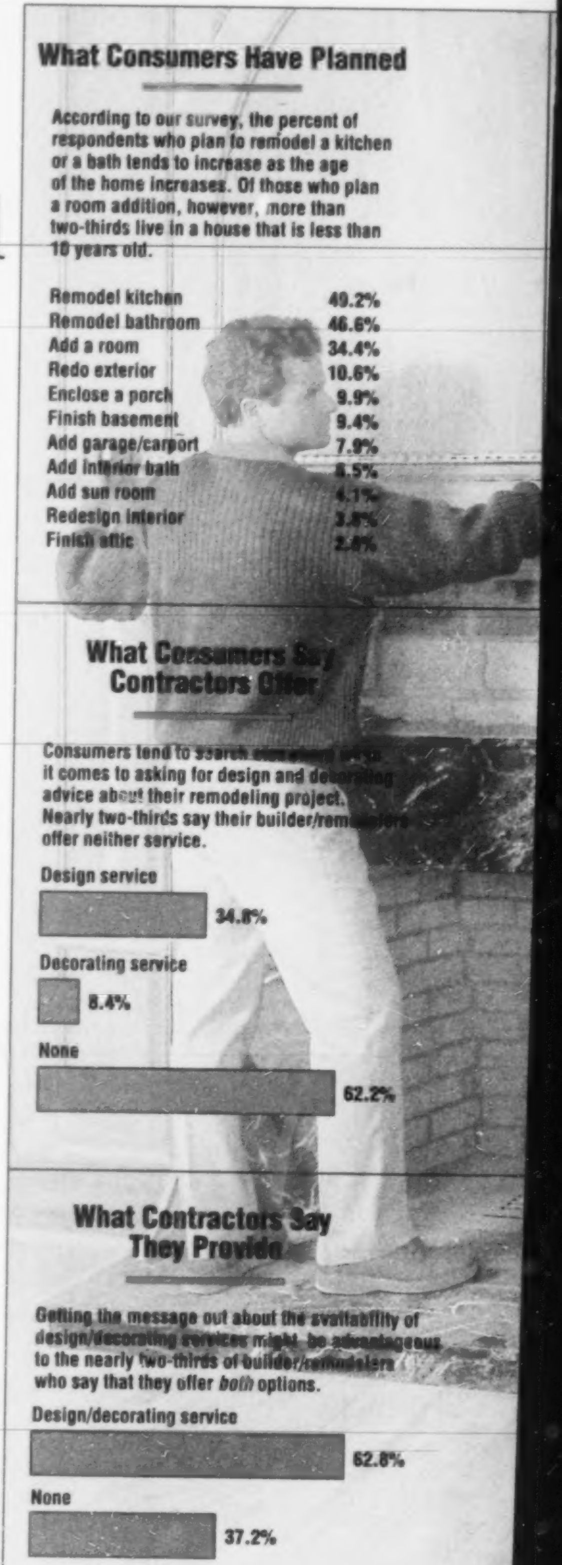
What builders say a kitchen remodeling costs is nearly 60% *more* than what consumers say it should cost. Builder estimates of a bathroom remodeling job are more than *double* consumer cost expectations. And what builders say a room addition costs is 20% *more* than what consumers estimate.

Not surprisingly, consumer cost estimates for kitchen and bath remodeling projects tend to increase as the market value of their home and/or household income increases. Regionally, people on the West Coast expect to pay most to remodel their kitchens. People in the South expect to pay most to add a room.

Across the board, cash emerges as the clear favorite of consumers in terms of financing a remodeling job. Not surprisingly, price tends to be less of a consideration in choosing a remodeling contractor as household income increases. In every region, reliability and high-quality work weigh more heavily than price in the choice of a contractor. Most consumers say they find contractors to do the work via referrals from friends.

As shown in the charts at right, builders would do well to market their design and decorating services more aggressively. Nearly two-thirds of remodeling consumers say their contractors offer no such services, yet most contractors say they do.

Diversified builders also might give consumers a lesson in calculating turnaround times. Consumer estimates fall well below the five weeks that builder/remodelers say it takes to complete the average remodeling job. □



What Consumers Have Planned

According to our survey, the percent of respondents who plan to remodel a kitchen or a bath tends to increase as the age of the home increases. Of those who plan a room addition, however, more than two-thirds live in a house that is less than 10 years old.

Remodel kitchen	49.2%
Remodel bathroom	46.6%
Add a room	34.4%
Redo exterior	10.6%
Enclose a porch	9.9%
Finish basement	9.4%
Add garage/carport	7.9%
Add interior bath	8.5%
Add sun room	4.1%
Redesign interior	3.8%
Finish attic	2.8%

What Consumers Say Contractors Offer

Consumers tend to search elsewhere when it comes to asking for design and decorating advice about their remodeling project. Nearly two-thirds say their builder/remodelers offer neither service.

Design service	34.8%
Decorating service	8.4%
None	62.2%

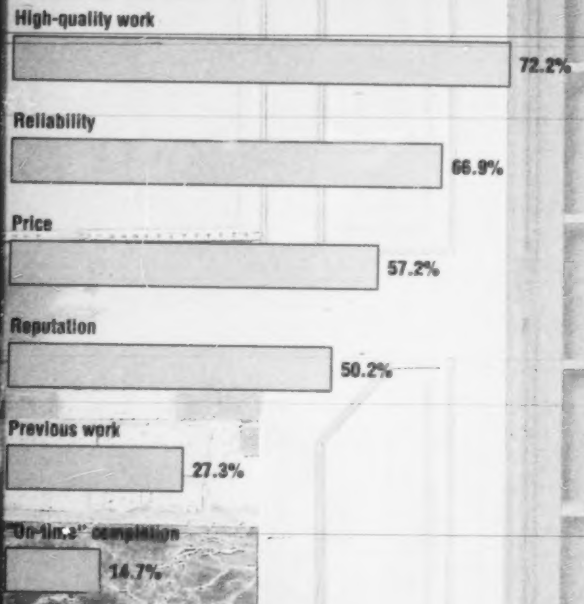
What Contractors Say They Provide

Getting the message out about the availability of design/decorating services might be advantageous to the nearly two-thirds of builder/remodelers who say that they offer *both* options.

Design/decorating service	62.8%
None	37.2%

How Consumers Evaluate Contractors

High-quality work, reliability, price and reputation factor as the criteria consumers use most in choosing a builder/remodeler. These considerations outrank even previous work done by a builder/remodeler and "on-time" completion dates.



How Consumers Finance Their Projects

When it comes to funding a remodeling project, cold hard cash ranks as consumers' preferred method of financing, with home equity loans and home improvement loans coming in a distant second and third place, respectively.

Cash	60.5%
Home equity loan	17.9%
Home improvement loan	15.3%
Credit union	9.9%
Family/personal loan	6.5%
Second mortgage	3.0%
Refinance original mortgage	2.4%
Construction loan	1.7%
Loan against pension/401(k) plan	0.7%
Other	4.0%

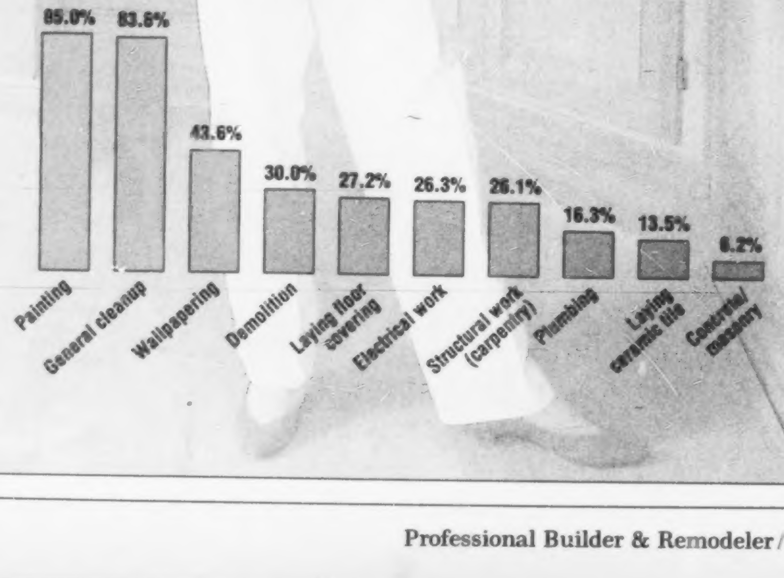
How Long Consumers Say It Will Take

Builder/remodelers might have to educate their clients about turnaround times: more than half the consumer respondents think their remodeling project will take less than four weeks to complete.

Less than 2 weeks	22.2%
2 to 4 weeks	29.4%
5 to 7 weeks	15.9%
8 to 10 weeks	14.3%
11 to 16 weeks	6.8%
17 to 24 weeks	4.3%
More than 24 weeks	7.1%

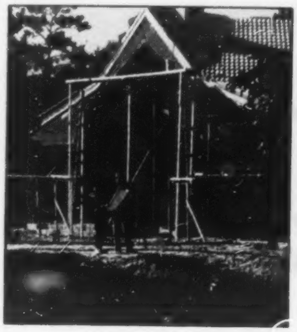
What Consumers Will Do Themselves

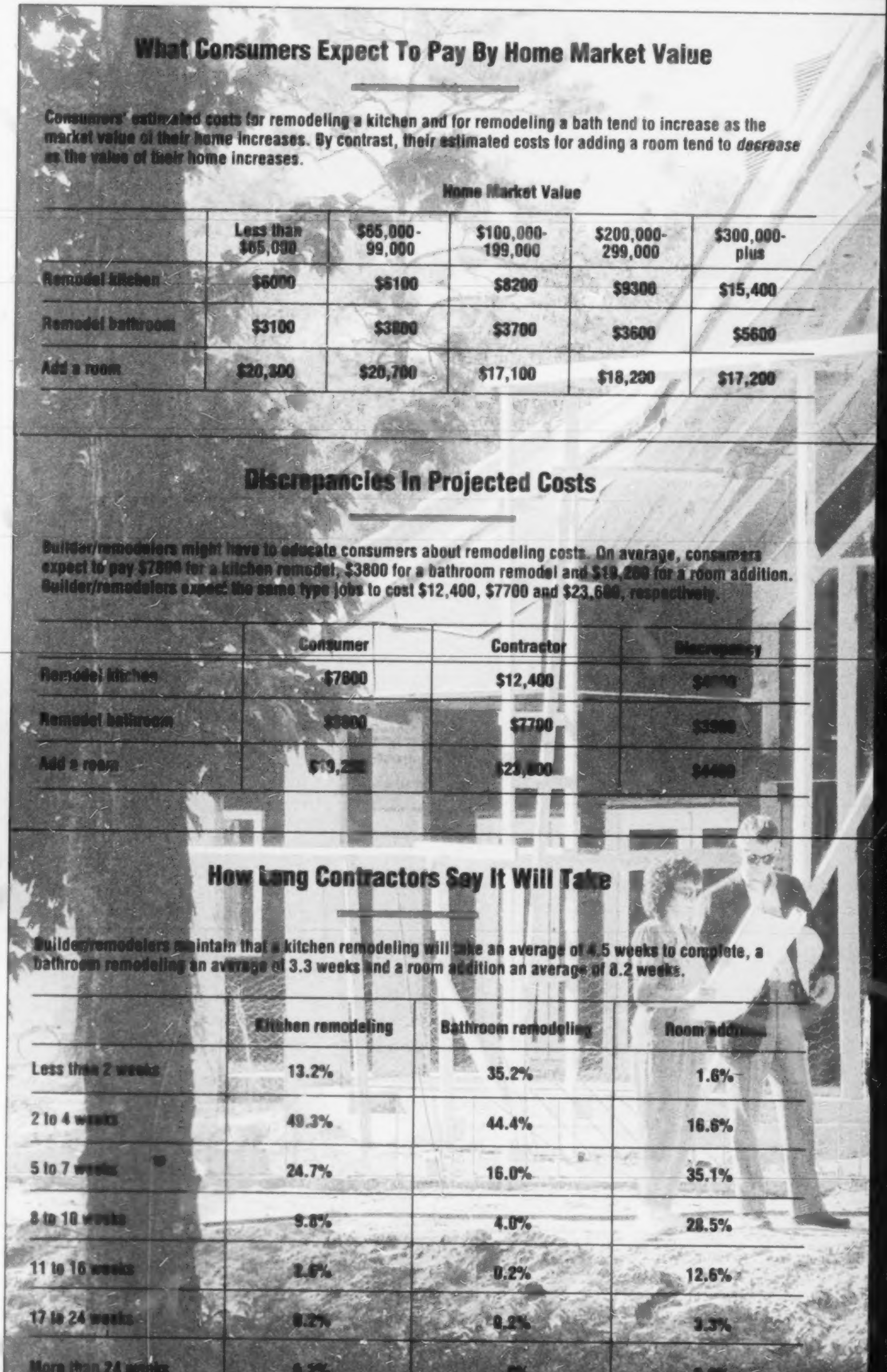
More often than not, consumers are willing to do their own painting and cleanup work in order to save on remodeling costs. Less than half will wallpaper, while not quite one-third will do demolition work. Only one-fourth of consumers will lay floor covering or engage in electrical or structural work. Even fewer will do plumbing or concrete/masonry work or lay ceramic tile.



PB&R's 2nd Annual Survey Of Remodeling Activity

Consumers have definite, if somewhat inaccurate, ideas about projected remodeling costs and turnaround times.





What Consumers Expect To Pay By Home Market Value

Consumers' estimated costs for remodeling a kitchen and for remodeling a bath tend to increase as the market value of their home increases. By contrast, their estimated costs for adding a room tend to *decrease* as the value of their home increases.

	Home Market Value				
	Less than $65,000	$65,000-99,000	$100,000-199,000	$200,000-299,000	$300,000-plus
Remodel kitchen	$6000	$6100	$8200	$9300	$15,400
Remodel bathroom	$3100	$3800	$3700	$3600	$5600
Add a room	$20,300	$20,700	$17,100	$18,200	$17,200

Discrepancies In Projected Costs

Builder/remodelers might have to educate consumers about remodeling costs. On average, consumers expect to pay $7800 for a kitchen remodel, $3800 for a bathroom remodel and $19,200 for a room addition. Builder/remodelers expect the same type jobs to cost $12,400, $7700 and $23,600, respectively.

	Consumer	Contractor	Discrepancy
Remodel kitchen	$7800	$12,400	[illegible]
Remodel bathroom	$3800	$7700	$3900
Add a room	$19,200	$23,600	$4400

How Long Contractors Say It Will Take

Builder/remodelers maintain that a kitchen remodeling will take an average of 4.5 weeks to complete, a bathroom remodeling an average of 3.3 weeks and a room addition an average of 8.2 weeks.

	Kitchen remodeling	Bathroom remodeling	Room addition
Less than 2 weeks	13.2%	35.2%	1.6%
2 to 4 weeks	49.3%	44.4%	16.6%
5 to 7 weeks	24.7%	16.0%	35.1%
8 to 10 weeks	9.8%	4.0%	28.5%
11 to 16 weeks	2.6%	0.2%	12.6%
17 to 24 weeks	0.2%	0.2%	3.3%
More than 24 weeks	0.2%	0%	2.3%

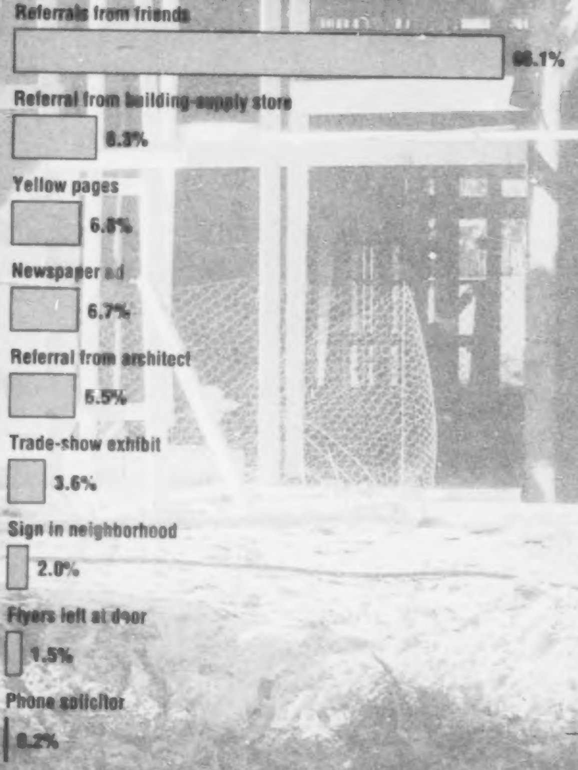
What Consumers Expect To Pay By Region

Consumers in the Pacific region expect to pay $2700 *more* than the national average to renovate a kitchen, while respondents in the Mountain region expect to pay $1600 *less*. Consumers in the East/South Central region estimate that a room additon will cost them $6500, or $12,700 *less* than the national average. The same respondents expect a bathroom remodel to cost them $1800 *less* than the national average.

	New Eng.	Mid-Atl.	East N. Ctrl.	West N. Ctrl.	South Atl.	East S. Ctrl.	West	Mtn.	Pac.
Kitchen remodeling	$6500	$8600	$6300	$7300	$7500	$8400	$5300	$6200	$10,500
Bathroom remodeling	$4500	$46[illegible]	$3400	$2000	$4100	$2000	$2800	$2800	$4400
Room addition	$19,500	$18,200	$15,200	$16,900	$22,800	$6500	$22,800	$20,300	$19,100

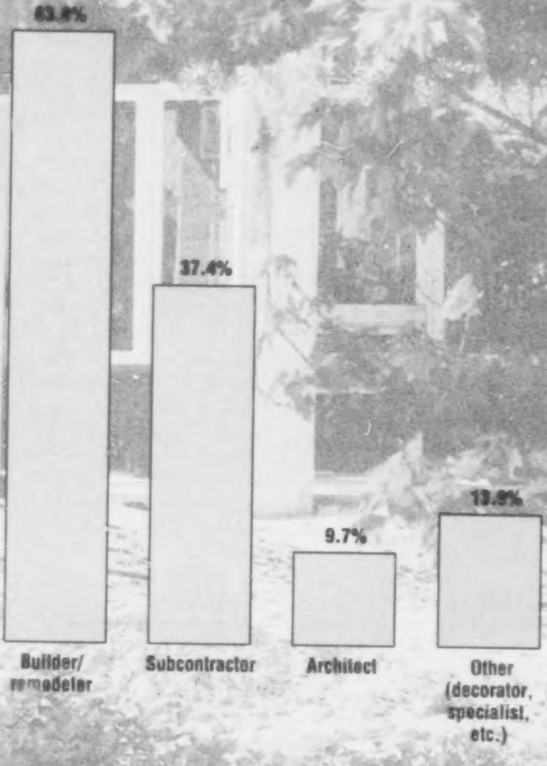
How Consumers Find Contractors

Referrals from friends ranks as the most important way that consumers find builder/remodelers, with more than two-thirds of respondents saying they use this method.



Who Consumers Will Hire

Nearly two-thirds of consumers who plan to remodel within the next 12 months say they will hire a professional builder/remodeler to do the work. Slightly more than a third will go directly to a subcontractor.



How To Reach Today's Consumer

Remodeling comprises a larger portion of a builder's sales volume today than it did five years ago. Smart builders are capitalizing on special marketing techniques to promote this increased activity.

Relative to their other activities, builders think remodeling has become a much more important part of their business within the past five years. Survey respondents (builders who engage in professional remodeling work) said that on average, residential remodeling makes up nearly half their work load.

Room additions, kitchen remodeling jobs and whole-house renovations account for the largest portion of a builder's remodeling volume, followed by bathroom remodeling jobs in a close fourth place.

More than half of the respondents report doing remodeling work on homes they originally built. Nearly one-third say this serves as a consistent source of business for them.

On average, builder/remodelers have an operating radius of 26 miles. Most say that subcontractors handle less than half their remodeling work.

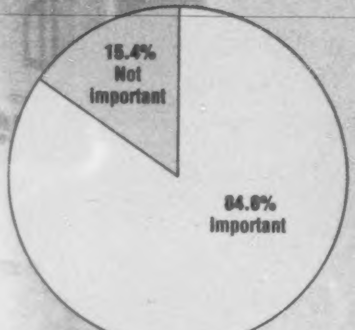
In the way of marketing, builders agree overwhelmingly that referrals from previous clients are the best source of new job leads. On-site signage, while not quite as popular, emerges as the second-best lead generator. Builders in the South find this method particularly helpful.

In addition to getting the word out about any extra services they provide, builders might consider promoting their remodeling business in other ways. Our survey shows that while not even 12% of builder/remodelers have a sales center or showroom, those who do find that, on average, nearly a third of their leads are generated through such marketing ventures.

Builder/remodelers who offer insured warranties on their work do so primarily because it enhances their reputation. Builders also say warranties serve as a marketing advantage, help prevent customer problems and provide legal protection. Some even claim their customers demand warranties. □

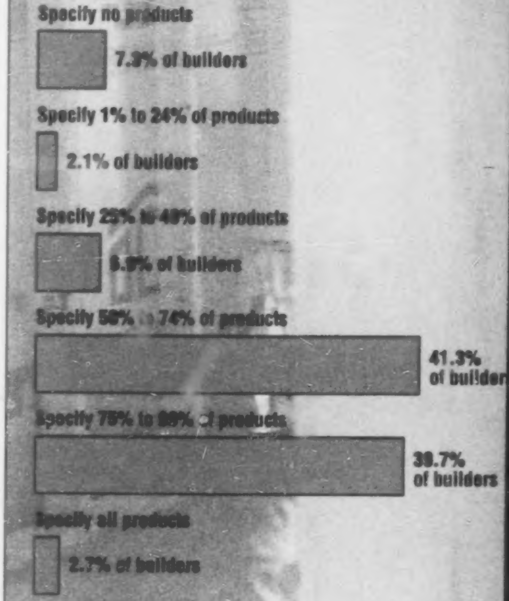
Contractors' Perception Of Brand-Name Products

The majority of builder/remodelers think it's important to use brand-name products in their remodeling jobs. Nearly a quarter of those who live in the East/South Central and Pacific regions, however, do *not* think it important.



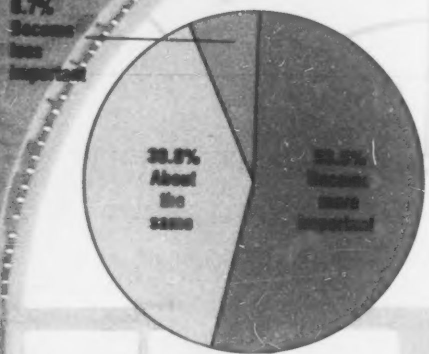
Percentage Of Brand-Name Products Contractors Specify

On average, builder/remodelers specify 60.2% of the brand-name products used in their remodeling jobs.



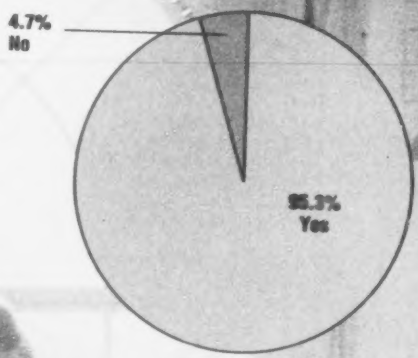
How Remodeling Has Changed in Past 5 Years

Relative to their other construction activities, the majority of builder/remodelers say that remodeling has become more important in the past five years. Of those from the Pacific region, more than 10% think remodeling has become *less* important.



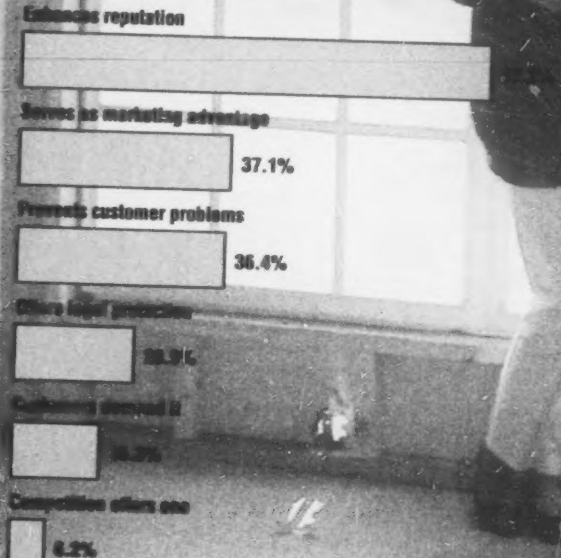
Are You Energy Conscious?

Overwhelmingly, respondents consider themselves "energy-conscious" remodelers. Not surprisingly, however, our survey shows that being "energy conscious" is less important to builder/remodelers in the East/South Central and Pacific regions.



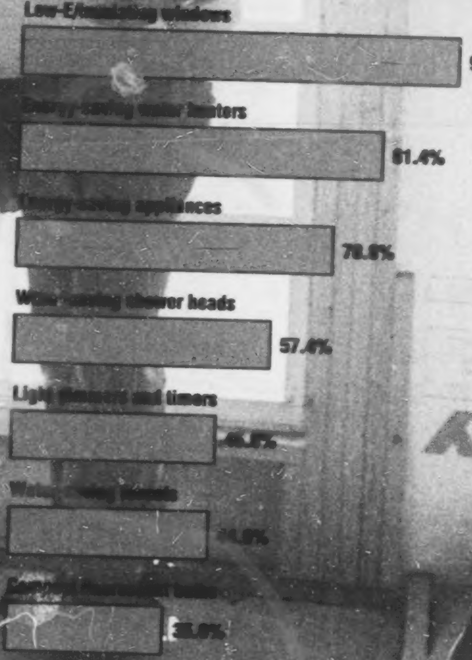
Why Contractors Offer Insured Warranties

Most builder/remodelers say they offer insured warranties because doing so enhances their reputation. Fifty percent of those with an annual sales volume over $5 million say their customers demand a guarantee on their work. More than one-third of remodelers say that warranties serve as a marketing advantage, while about the same number says warranties prevent customer problems.



Favorite Energy-Efficient Products

Insulating windows and energy-saving water heaters top the list of products "energy-conscious" builder/remodelers say they specify in their jobs. Energy-saving appliances, water-saving shower heads and faucets, light dimmers and timers also are popular.



PB&R's 2nd Annual Survey Of Remodeling Activity

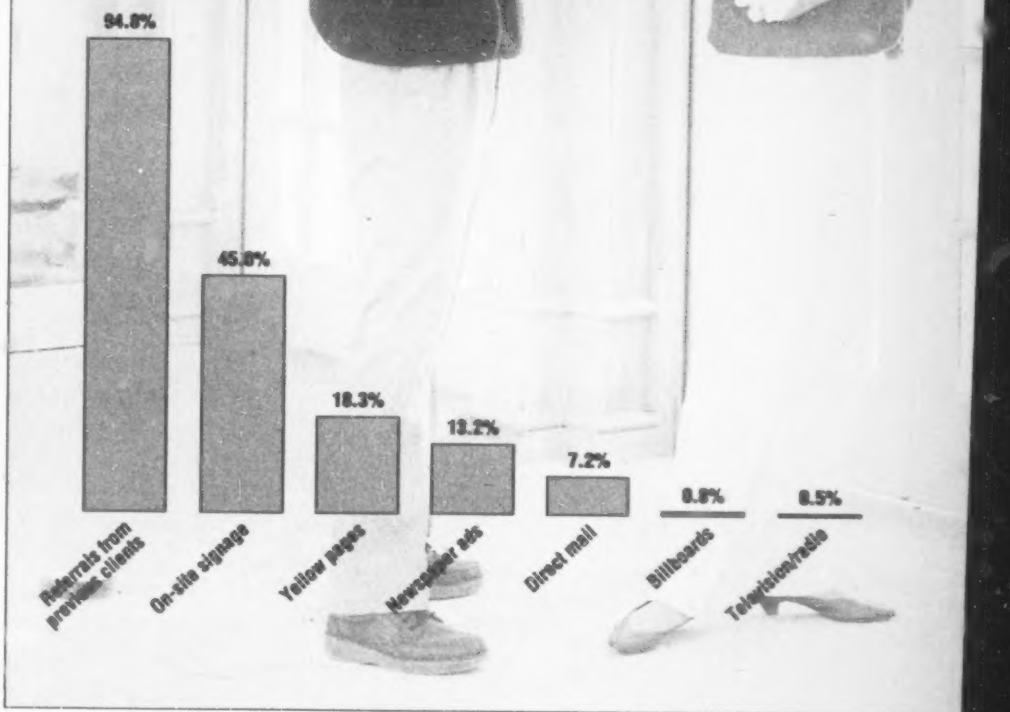
What Percent Of Builder/Remodelers Do Commercial Renovation

More than 75% of those surveyed engage in some type of commercial renovation. Sixty percent say they renovate office buildings, and 43% renovate retail stores. The renovation of restaurants, factories and strip malls also rates high among builder/remodelers.

	Total Annual Sales Volume				
	Total Sample	Under $500,000	$500,000 To $1 mil.	$1 mil. To $5 mil.	Over $5 mil.
Industrial bldgs., factories	20.4%	22.0%	33.0%	37.1%	70.0%
Restaurants	36.0%	29.4%	38.2%	46.1%	60.0%
Retail stores	43.0%	[illegible]	50.0%	53.9%	65.0%
Office bldgs.	60.7%	[illegible]	73.5%	68.5%	90.0%
Strip malls	23.1%	14.3%	25.0%	40.4%	[illegible]
Gas stations	5.6%	3.7%	18.3%	4.6%	[illegible]
Other	6.3%	[illegible]	4.4%	18.1%	[illegible]

How To Attract Clients

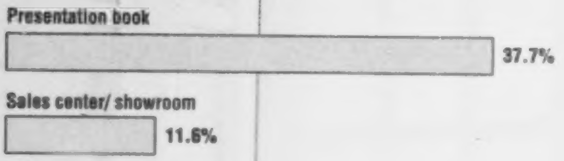
While the majority of builder/remodelers relies on referrals from previous clients to attract new business, many use on-site signage. Interestingly, the use of on-site signage seems to be most effective for more than 60% of builder/remodelers from the South Atlantic region.



Commercial renovation, landscaping and carpentry services are among the other activities that diversified builders pursue. Some make a substantial profit by remodeling homes they originally built.

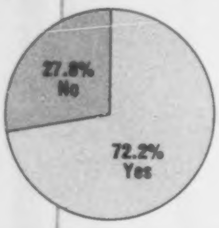
Special Marketing Techniques

More than a third of builder/remodelers say they use presentation books as a marketing technique. Often these are filled with before/after photos of projects they've completed, before/after floor plans, names and phone numbers of previous clients, and letters of recommendation. Slightly more than 10% of builder/remodelers use a sales center or showroom as a marketing tool.



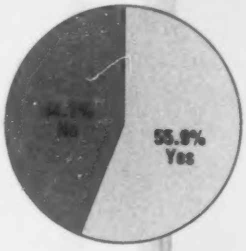
Contractors Who Offer Insured Warranties

Nearly three-fourths of builder/remodelers surveyed say they offer an insured warranty as a guarantee of their remodeling work. Interestingly, nearly half of those from the East/South Central region do *not* offer an insured warranty or any guarantee on their remodeling work.



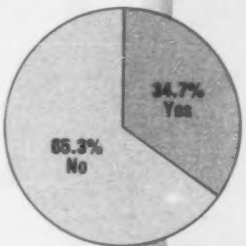
Do Contractors Renovate Homes They Originally Built?

Contractors might do well to solicit remodeling work among those consumers who own homes the contractors originally built. Engaging in such work seems to be a growing trend among the nation's builder/remodelers, with 55% saying they take part in such activity.



As A Consistent Source of Business?

Of those builder/remodelers who renovate homes they originally built, nearly 35% say that type of remodeling work serves as a consistent source of business.



Related Avenues Contractors Pursue

The number of builder/remodelers who offer landscaping services increases as their total annual sales volume increases. Yet the number of those who engage in small "handyman" jobs or who offer carpentry or weatherization services *decreases* as their total annual sales volume increases.

		Total Annual Sales Volume			
	Total Sample	Under $500,000	$500,000 To $1 mil.	$1 mil. To $5 mil.	Over $5 mil.
Landscaping service	22.1%	20.3%	22.2%	26.7%	36.4%
Carpentry service	87.0%	90.3%	87.3%	81.3%	63.6%
Small "handyman" jobs	72.0%	80.1%	63.5%	58.7%	18.2%
Weatherization service	27.2%	32.2%	19.0%	10.7%	18.2%
Other trade work	45.0%	42.4%	50.8%	48.0%	36.4%

Remodeling Accounts For Much Business

On average, the nearly 500 builders who responded to our survey and who engage in remodeling work said that remodeling work accounts for 52.3% of their total annual sales volume.

Remodeling Activity	Builders
None	6.1%
Up to 1%-24% of business	19.6%
Between 25%-49% of business	16.9%
Between 50%-74% of business	19.8%
More than 75%-99% of business	23.6%
All of business	14%

Hot Buttons In Kitchens & Baths

Consumers plan for upgrades, increased space and assorted products for bath remodeling projects.

Since the "wet rooms" are among the highest-use areas of the home, it is no surprise that consumers have some definite ideas for them when it comes to remodeling.

In the bath, storage seems to be the focal point. Almost three-fourths of remodeling consumers concentrate on upgrading their existing cabinetry, while another 43% plan to increase overall storage capacity. While these homeowners are content to make the most of available space, others are bent on expanding space through more strenuous methods: removing walls (19%), expanding the outside foundation (7%) or opening up the ceiling (5%). Products from a variety of categories are included in bath projects.

When it comes to kitchen modifications, storage is again a top priority: three-fourths of consumers want upgraded cabinetry, while half desire an increase of cabinet space. Another 58% plan to upgrade appliances. Over a third want a new floor plan. Consumers rated their favorite kitchen layout as an "L" shape, followed by "U"-shape, galley and island designs.

Kitchen eating arrangements are also important details. A table eating area in the room is the most popular arrangement with half of the survey respondents. About one-third of consumers prefer a countertop eating area in the room, while 29% choose a separate dining room. A combination kitchen/dining room rates big among almost 20% of respondents.

Lighting and built-in appliances rate high among homeowners as kitchen additions. Other desired amenities for this room include windows, free-standing appliances, doors that offer outside access, skylights or roof windows, and a breakfast nook area.

Be sure to check the products listed on these pages for specifics that consumers want implemented. □

Top Bathroom Additions

Adding windows, wall(s) or a new secondary bathroom rank as the top three additions among consumers who plan to remodel a bathroom. Adding door(s), a utility closet or a skylight also rank as priorities among those consumers who intend to renovate a bath.

Windows	29.1%
Wall(s)	26.7%
New secondary bathroom	25.2%
Door(s)	21.8%
Utility closet	19.9%
Skylight	18.4%
Walk-in closet	14.6%
New powder room	13.1%
Add bathroom to master bedroom	12.6%
Laundry appliances	7.8%

Top Bathroom Modifications

Nearly three-fourths of consumers who plan to remodel their bathroom will upgrade the cabinetry. Almost 43% will increase storage space, and nearly one-fourth will expand the existing bathroom space. Almost 20% intend to remove walls.

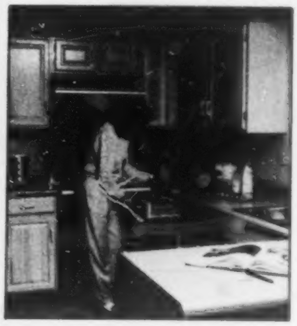
Upgrade cabinetry	74.2%
Increase storage space	42.9%
Expand existing bathroom	24.8%
Remove walls	19.3%
Expand outside foundation	7.1%
Increase ceiling height	5.2%
Open to vaulted ceiling	4.9%
Make a garden bath	4.9%

Products Consumers Want Included In Bathroom Remodel

	Home market value in thousands			
	$99 and under	$100 to $199	$200 to $299	$300 plus
Walls				
Wallpaper	49.5%	60.2%	33.3%	38.2%
Ceramic tile	37.6%	39.8%	57.6%	47.1%
Paint	45.5%	40.9%	42.4%	41.2%
Mirrored	6.9%	8.6%	12.1%	23.5%
Marble	4.0%	4.3%	0%	8.8%
Floors				
Ceramic tile	33.7%	49.4%	58.8%	62.5%
Vinyl	47.5%	37.6%	23.5%	15.6%
Carpeted	20.8%	15.3%	11.8%	18.8%
Marble	5.0%	3.5%	14.7%	9.4%
Wood	4.0%	2.4%	5.9%	6.3%
Cabinets				
Medicine	54.0%	51.3%	45.5%	57.1%
Wood	39.0%	50.0%	42.4%	60.7%
Custom-made	30.0%	23.8%	27.3%	21.4%
Linen storage	23.0%	23.8%	15.2%	25.0%
Laminate-faced	11.0%	13.8%	12.1%	14.3%
Faucets/fixtures				
Two-handle faucet	57.6%	45.9%	54.8%	46.7%
Plumbing fixtures	42.4%	44.7%	35.5%	50.0%
Single-handle faucet	32.6%	43.5%	35.5%	53.5%
Tub/shower				
Tub/shower door	38.4%	52.6%	45.0%	32.1%
Water-saving shower heads	60.5%	47.4%	55.0%	32.1%
Separate shower	41.9%	35.5%	40.0%	46.4%
Whirlpool	18.6%	19.7%	20.0%	32.1%
Vanity				
With one bowl	86.9%	82.2%	62.5%	64.0%
With two bowls	14.3%	17.8%	37.5%	36.0%
Countertops				
Laminate	37.9%	42.3%	26.1%	18.5%
Marble	24.1%	22.5%	21.7%	48.1%
Corian	21.8%	26.8%	30.4%	29.6%
Lighting				
Fluorescent	42.0%	37.3%	50.0%	25.0%
Recessed	46.4%	49.2%	50.0%	66.7%
Track	20.3%	22.0%	9.1%	25.0%
Closets				
Closet shelving	76.5%	80.8%	85.7%	76.9%
Walk-in	29.4%	23.1%	21.4%	38.5%
Laundry/utility	14.7%	34.6%	14.3%	38.5%
Toilet/bidet				
Compartmentalized	81.3%	87.5%	90.9%	75.0%
Bidet	18.8%	12.5%	9.1%	37.5%
Windows				
Skylight	69.2%	84.6%	88.9%	58.3%
Bay	38.5%	23.1%	22.2%	50.0%
Miscellaneous				
Exhaust fans	60.0%	70.7%	50.0%	78.3%
Safety features	25.9%	36.2%	22.7%	8.7%
Bathroom heater	28.2%	34.5%	36.4%	47.8%
Ceiling fan	16.5%	31.0%	13.6%	13.0%
Pedestal lavatory	14.1%	5.2%	27.3%	8.7%
Siding	10.6%	5.2%	4.5%	4.3%
Roofing	10.6%	6.9%	9.1%	4.3%
Dressing area	7.1%	3.4%	18.2%	17.4%
Sauna	3.6%	3.4%	0%	8.7%
Intercom	2.4%	3.4%	0%	0%
Fireplace	2.4%	1.7%	0%	4.3%
Garden bath	4.7%	5.2%	9.1%	17.4%
Fitness equipment	1.2%	0%	0%	0%

PB&R's 2nd Annual Survey Of Remodeling Activity

Designs and modifications are key considerations in kitchen remodeling. Most homeowners also want a special eating layout.



Products Consumers Want Included In Kitchen Remodel

	Home market value in thousands			
	$99 and under	$100 to $199	$200 to $299	$300 plus
Walls				
Paint	61.9%	61.7%	67.6%	73.1%
Wallpaper	56.7%	50.5%	64.7%	26.9%
Ceramic tile	18.6%	25.2%	5.9%	26.9%
Marble	3.1%	0%	0%	0%
Floors				
Vinyl	71.1%	59.3%	48.5%	29.6%
Ceramic tile	18.3%	25.4%	33.3%	37.0%
Carpeted	10.8%	15.3%	3.0%	7.4%
Hardwood	5.4%	9.3%	15.2%	33.3%
Marble	1.1%	1.7%	6.1%	0%
Cabinets				
Wood	41.8%	45.1%	51.4%	51.9%
Custom made	36.7%	28.3%	28.6%	33.3%
National manufacturer	19.4%	23.0%	8.6%	18.5%
Locally fabricated	21.4%	15.9%	20.0%	18.5%
Laminate-faced	19.4%	10.6%	8.6%	3.7%
European-style	2.0%	6.2%	11.4%	18.5%
Countertops				
Laminate plastic	27.1%	32.7%	32.4%	22.2%
Butcher block	21.[illegible]	15.0%	21.6%	11.1%
Solid Corian	20.8%	24.8%	24.3%	25.9%
Other	31.3%	39.8%	27.0%	51.9%
Appliances				
Dishwasher	60.0%	61.1%	61.5%	67.7%
Range/oven	53.7%	54.9%	48.5%	35.5%
Self-cleaning oven	34.7%	47.8%	48.5%	45.2%
Built-in oven	30.5%	31.9%	36.4%	67.7%
Garbage disposal	42.1%	37.2%	30.3%	51.6%
Refrigerator	37.9%	39.8%	36.4%	41.9%
Built-in microwave	34.7%	26.5%	39.4%	58.1%
Built-in refrigerator	5.3%	8.8%	18.2%	16.1%
Trash compactor	8.4%	8.8%	15.2%	25.8%
Appliance garage	9.5%	7.1%	3.0%	6.5%
Hot-water dispenser	4.2%	2.7%	6.1%	25.8%
BBQ grill	4.2%	1.8%	3.0%	12.9%
Restaurant range	3.2%	1.8%	0%	16.1%
Sinks/Faucets				
Double sink	66.7%	65.3%	41.9%	57.7%
Single-handle faucet	44.4%	45.9%	61.3%	73.1%
Stainless steel	62.2%	53.1%	32.3%	38.5%
Enamel/porcelain	20.0%	31.6%	41.9%	26.9%
Water-saving faucet	21.1%	25.5%	22.6%	30.8%
Two-handle faucet	24.4%	10.2%	9.7%	11.5%
Second sink	1.1%	9.2%	16.1%	7.7%
Colored faucet	6.7%	5.1%	9.7%	7.7%
Triple sink	5.6%	2.0%	3.2%	19.2%
Lighting				
Fluorescent	65.0%	52.9%	61.5%	52.2%
Recessed	30.0%	49.4%	53.8%	56.5%
Track	17.5%	17.6%	23.1%	17.4%
Windows				
Exterior	49.0%	45.0%	31.6%	55.6%
Greenhouse	32.7%	35.0%	47.4%	38.9%
Skylight	22.4%	30.0%	26.3%	16.7%
Bay	24.5%	26.7%	21.1%	16.7%
Doors				
Exterior	80.8%	85.7%	58.6%	66.7%
French	26.9%	17.9%	[illegible]	44.4%
Island				
With work and eating space	70.3%	62.2%	45.5%	50.0%
With countertop	45.9%	59.5%	81.8%	50.0%
With sink	10.8%	8.1%	27.3%	8.3%
Miscellaneous				
Ceiling fan	50.0%	34.1%	18.5%	37.5%
Pantry	32.1%	25.3%	44.4%	41.7%
Built-in eating counter	20.5%	30.8%	33.3%	29.2%
Lazy susan	23.1%	27.5%	40.7%	12.5%
Closet shelves	15.4%	17.6%	37.0%	25.0%
Insulation	21.8%	16.5%	22.2%	37.5%
HVAC system	16.7%	8.8%	11.1%	20.8%
Roofing	15.4%	15.4%	14.8%	25.0%
Siding	65.4%	54.9%	70.4%	41.7%
Laundry/utility closet	3.8%	5.5%	11.1%	4.2%
Intercom	3.8%	3.3%	3.7%	0%
Built-in table	11.5%	3.3%	0%	4.2%
Thermostats	0%	6.6%	11.1%	16.7%
Locksets	2.6%	3.3%	3.7%	4.2%
Warming drawer	0%	0%	0%	12.5%

Top Kitchen Additions

Lighting ranks as the top amenity consumers will add to their remodeled kitchens. Other favorite additions include new built-in appliances (41%) and windows (30.1%).

Lighting	57.2%
Built-in appliances	41.0%
Windows	30.1%
Free-standing appliances	21.5%
Door(s) to outside	14.7%
Skylight/roof window	14.5%
Breakfast nook	11.5%
Utility [illegible]	11.5%
Laundry area	10.0%
Walk-in pantry	9.1%
Additional range/oven	6.2%
Divider wall(s)	4.4%

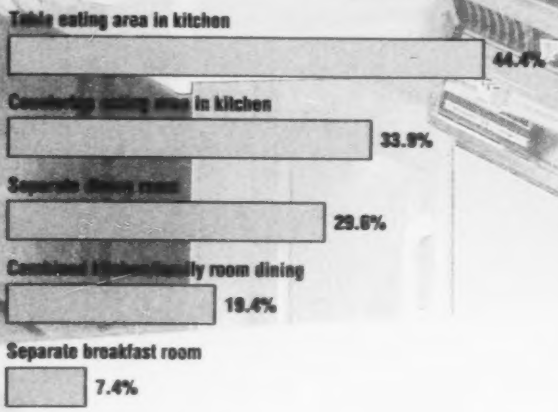
Top Kitchen Modifications

More than three-fourths of consumers who plan to remodel their kitchen say they will upgrade their cabinetry. More than half will upgrade appliances and increase cabinet space. About a third say they will change the floor plan of their kitchen.

Upgrade cabinetry	75.4%
Upgrade appliances	58.5%
Increase cabinet space	51.7%
Change floor plan	36.7%
Remove walls	21.1%
Expand outside foundation	11.1%
Combine with dining room	9.3%
Combine with family room	4.9%
Increase ceiling height	4.9%
Open to vaulted ceiling	2.1%

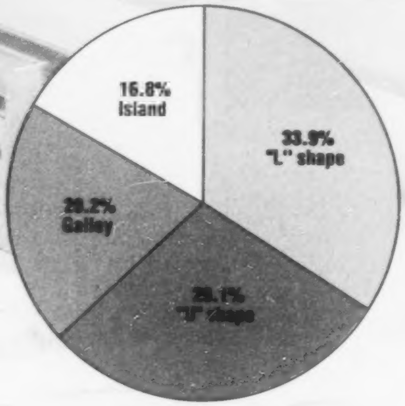
Favorite Eating Arrangement

Consumers are very particular when it comes to outfitting their homes with proper eating arrangements. Nearly three-fourths of those who live in a home that is less than 10 years old want countertop eating area in the kitchen. Nearly two-thirds of those who have owned their homes less than one year want table eating area in the kitchen.



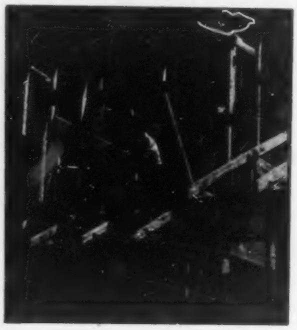
Favorite Kitchen Design

More than one-third of those who live in a home that is less than 10 years old want an island design in their remodeled kitchen. Nearly half of those whose home market value is less than $65,000 want an "L"-shape kitchen. More than 50% of consumers who live in the Mid-Atlantic region also want an "L"-shape kitchen.



How To Sell Room Additions

The average room addition measures about 340 square feet. Raised, flat ceilings, space for a home office and plant shelves are among the top design elements.



According to our survey, homeowners have very specific ideas about what elements they want included in a room addition, as well as the functions it should perform.

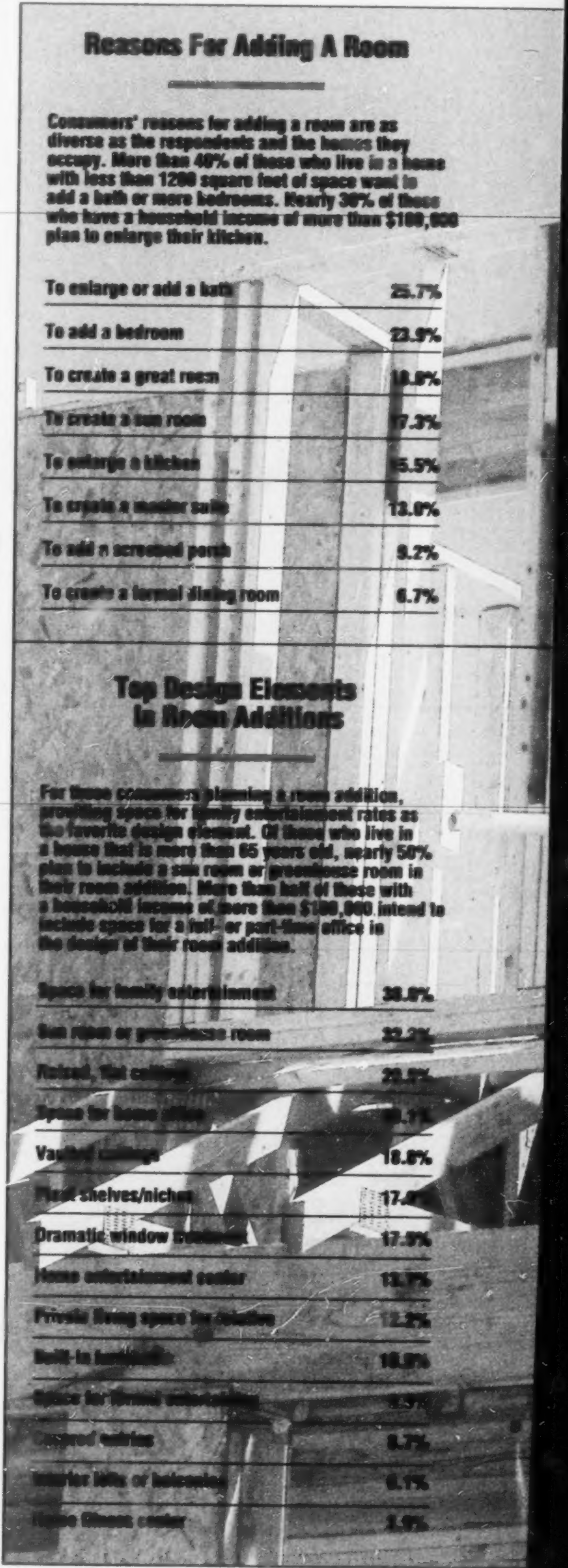
One out of four consumer respondents said they were planning an addition of 151 to 300 square feet. Another 22% wanted a bigger addition (301 to 500 square feet in size) while 18.8% wanted something a bit smaller—100 to 150 square feet. On the average, additions measure 340 square feet.

The greatest percentage of consumers (25.7%) say they intend to enlarge or add a bath, while almost as many plan to create an additional bedroom. Other popular reasons for the addition include creating a great room, creating a sun room, enlarging a kitchen, creating a master suite, adding a screened porch and creating a formal dining room.

Design elements to be included in the room addition also play an important role for homeowners. The top-ranking element is an addition that provides space for family entertainment. A greenhouse or sun room is desired by almost one-third of respondents. Raised, flat ceilings, space for a home office, vaulted ceilings and plant shelves/niches are among the most highly requested design elements.

These are followed by the desire for dramatic window treatments, home entertainment centers, private space for live-in relatives, built-in furniture, space for formal entertaining and more.

Consumers plan their additions with specific products in mind. Everything from flooring, windows, styles of roofing and wallcovering are needed. Miscellaneous items like fireplaces, decorative molding and more are included in our listing. To discover the most desired products to integrate, refer to the chart, right, for a breakdown by category. □



Reasons For Adding A Room

Consumers' reasons for adding a room are as diverse as the respondents and the homes they occupy. More than 40% of those who live in a home with less than 1200 square feet of space want to add a bath or more bedrooms. Nearly 30% of those who have a household income of more than $100,000 plan to enlarge their kitchen.

To enlarge or add a bath	25.7%
To add a bedroom	23.9%
To create a great room	18.8%
To create a sun room	17.3%
To enlarge a kitchen	15.5%
To create a master suite	13.0%
To add a screened porch	9.2%
To create a formal dining room	6.7%

Top Design Elements In Room Additions

For those consumers planning a room addition, providing space for family entertainment rates as the favorite design element. Of those who live in a house that is more than 65 years old, nearly 50% plan to include a sun room or greenhouse room in their room addition. More than half of those with a household income of more than $100,000 intend to include space for a full- or part-time office in the design of their room addition.

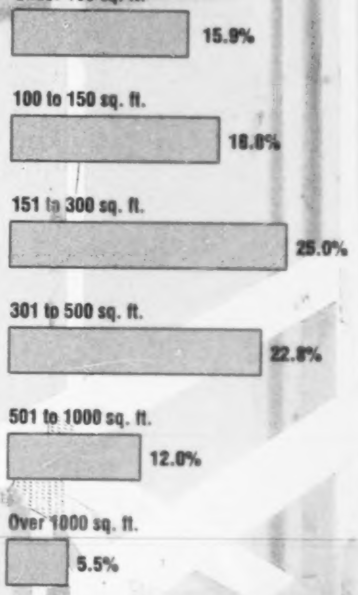
Space for family entertainment	38.8%
Sun room or greenhouse room	32.2%
Raised, flat ceilings	20.5%
Space for home office	19.1%
Vaulted ceilings	18.8%
Plant shelves/niches	[illegible]
Dramatic window treatments	17.5%
Home entertainment center	13.7%
Private living space for relatives	12.2%
Built-in furniture	10.8%
Space for formal entertaining	[illegible]
Upgraded wiring	8.7%
Interior lofts or balconies	6.1%
Home fitness center	3.9%

Products Consumers Want Included In Room Addition

	Home market value in thousands			
	$99 & under	$100 to $199	$200 to $299	$300 plus
Floors				
Carpet	68.0%	54.5%	55.6%	53.3%
Ceramic tile	24.0%	27.3%	29.6%	33.3%
Wood	12.0%	23.4%	29.6%	33.3%
Vinyl	30.7%	20.8%	33.3%	20.0%
Marble	2.7%	1.3%	3.7%	0%
Windows				
Other windows	56.7%	60.6%	66.7%	52.9%
Skylight	22.4%	25.8%	37.5%	0%
Bay	28.4%	25.8%	25.0%	17.6%
Sun room	17.9%	25.8%	8.3%	11.8%
Greenhouse	11.9%	10.6%	8.3%	5.9%
Decorative window	6.0%	9.1%	16.7%	0%
Walls				
Paint	80.6%	80.9%	92.9%	60.0%
Wallpaper	54.2%	41.2%	42.9%	13.3%
Ceramic tile	23.6%	8.8%	32.1%	26.7%
Marble	2.8%	2.9%	3.6%	0%
Doors				
Exterior	57.7%	55.7%	63.0%	90.9%
Interior	59.2%	50.0%	70.4%	72.7%
Patio	26.8%	28.6%	18.5%	9.1%
Garage	8.5%	14.3%	3.7%	18.2%
Roofing				
Asphalt fiberglass shingles	83.0%	88.0%	72.7%	67.5%
Cedar shingles/shakes	5.7%	10.0%	13.6%	23.1%
Metal tile	9.4%	0.0%	4.5%	15.4%
Clay tile	3.8%	2.0%	13.6%	7.7%
Siding				
Wood	36.1%	45.1%	33.3%	50.0%
Aluminum	14.8%	23.5%	11.1%	8.3%
Brick	19.7%	13.7%	22.2%	16.7%
Vinyl	21.3%	17.6%	38.9%	8.3%
Wood shakes	9.8%	3.9%	0%	16.7%
Hardboard	8.2%	2.0%	5.6%	0%
Lighting				
Recessed	46.2%	54.3%	65.0%	69.2%
Fluorescent ceiling	52.3%	43.5%	60.0%	30.8%
Track	20.0%	28.3%	20.0%	30.0%
Other Items				
Insulation	55.7%	56.7%	73.9%	53.3%
Ceiling fan	52.9%	56.7%	52.2%	46.7%
Cabinets	41.4%	32.8%	56.5%	53.3%
Closet shelving	35.7%	25.4%	56.5%	20.0%
New heating system	27.1%	22.4%	21.7%	26.7%
Thermostats	24.3%	18.4%	30.4%	26.7%
Fireplace	15.7%	16.4%	13.0%	6.7%
Air-cond. system	24.3%	11.9%	30.4%	26.7%
Decorative molding	20.0%	11.9%	21.7%	20.0%
Door chimes	7.1%	1.5%	0%	0%

How Much Space Consumers Want To Add

The majority of consumers surveyed (65.3%) will add upwards of 150 square feet to their home with their remodeling project. On average, consumers will add 340 square feet of space.



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PROFESSIONAL BUILDER & REMODELER (ISSN-1053-6353) (GST -123397457) Vol. 56, No. 9 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Frank J. Sibley, Executive Vice President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $139.95, two years $229.95; Canada/Mexico, one year $179.95, two years $299.95; other countries, one year $195.95, two years $325.95. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800. PROFESSIONAL BUILDER & REMODELER, PROFESSIONAL BUILDER and ANNUAL REPORT OF HOUSING'S GIANTS are trademarks of Reed Properties Inc., used under license.

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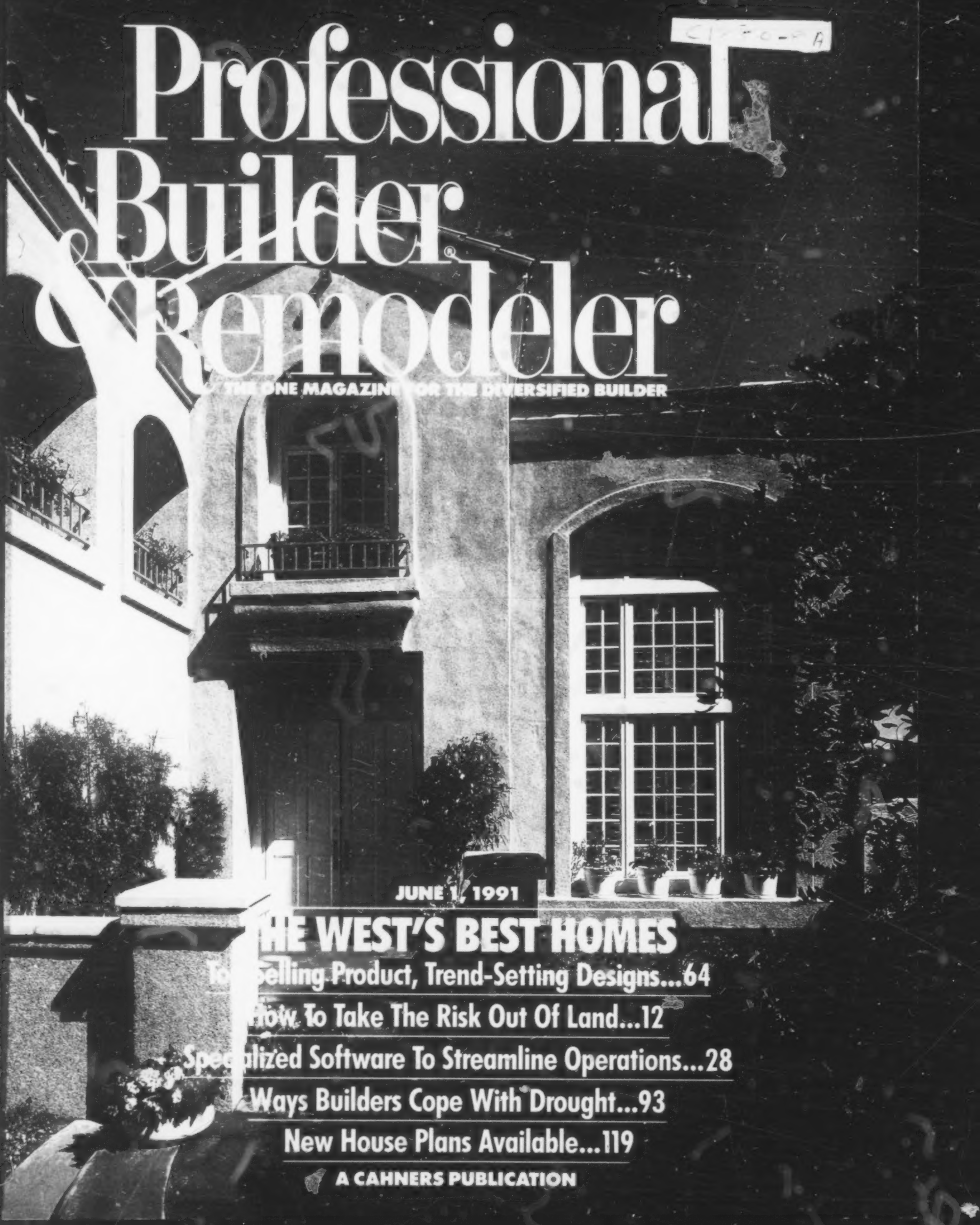

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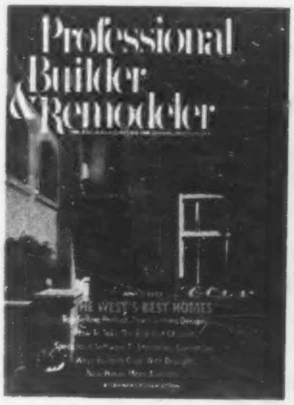


On The Cover

■ Bramalea's San Marino development in Orange County, Calif., is marketed as the ultimate move-up community—an alternative to custom building. The homes, which range in price from $600,000 to $730,000, were designed by Berkus Group Architects, with interiors by Color Design Art. Photography by Jac Jacobson.

Mission-style remodeling: p. 86.

FEATURES

Seven Trends From The West's Best Homes 64

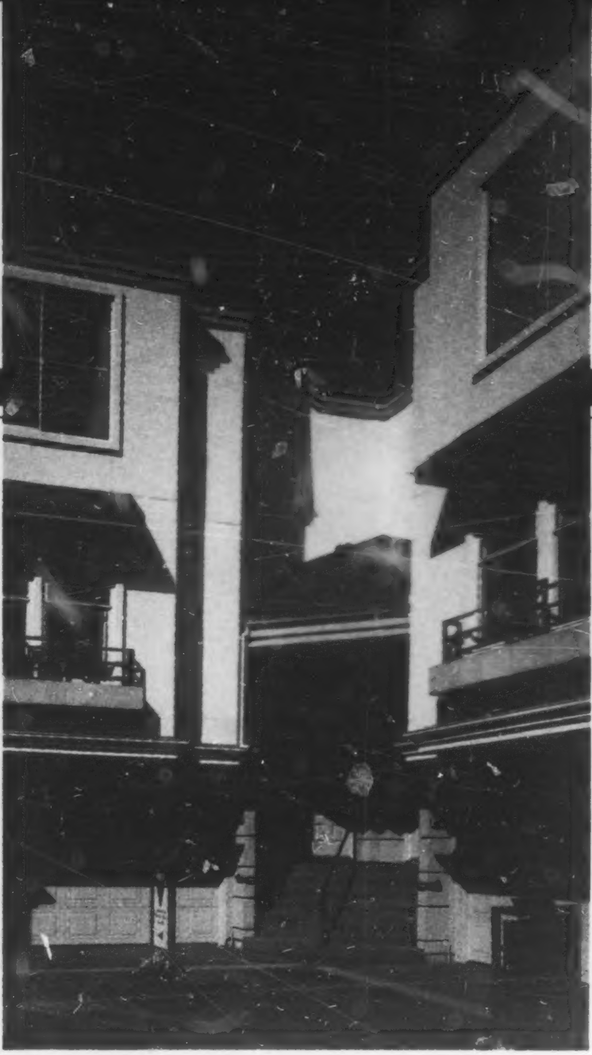
From contemporary Mediterranean to nouveau southwest to the European village, the hallmarks of the best model-home presentations are market-driven design and superb dollar value.

What's Hot In New Rooms 80

With specialization the trend, builders and remodelers must be able to shape rooms—home offices, activity areas, entertainment centers—for particular needs and interest.

Remodeling Project Of The Month 86

The toughest remodeling skill is making a good house better. In this project, a mission-style loggia both brightens a courtyard and offers access to new areas of the home.



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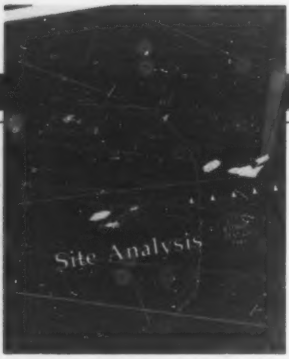

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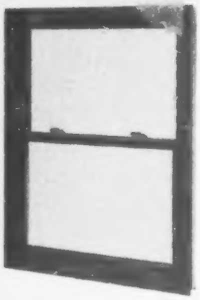

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Business

■ Builders are restructuring to reduce exposure. We take an in-depth look at the rolling-lot option: p. 12. Housing tax breaks are being sought in Washington this year, but anxiety over the federal deficit may result in legislative gridlock: p. 20.

Management

■ Specialized software programs speed builder tasks by streamlining both special transactions and day-to-day operations. Here's a quick look at packages that are available: p. 28. These are tough times to be starting out in the building business. Here's advice on how novices can make it: p. 38.

Marketing

■ Here's a look at a variety of luxury designs in sales offices—some modern, some classic: p. 47. Merchandising consultant Beverly Trupp takes a look at how markets are changing: p. 53.

Technology

■ In the fifth year of the California drought, home builders are being forced to use water-saving methods in construction. One of the most unusual—paying to retrofit existing houses before they can build new ones: p. 93.

Next Issue

■ In July: The 24th ANNUAL REPORT OF HOUSING'S GIANTS®, the industry's most complete listing.

■ MONEY

Why They Keep Coming To California

By Allan G. Bortel,
Chartered Financial
Analyst, Vice President,
Sutro & Co.

The 1990 Census has made it almost official: More people moved to California during the 1980s than to any other state—helping increase the state's population to nearly 30 million, a gain of 25%. An excellent job market helped considerably, due to the state's well diversified economy. California's population growth of 5.9 million is equivalent to having the entire state of Massachusetts had, over a period of only 10 years, moved in and had to recreate its living environment, from housing to schools to jobs.

The United States, by comparison, grew 10.2% to 250 million, an increase of 23 million people. Roads, public transportation, water and many other public facilities have certainly lagged far behind this growth, but a point most people agree on is that the incredible population pressures of the last 10 years have caused California's huge increases in land and home prices.

The impact of California's 5.9 million population growth is equivalent to having the entire state of Massachusetts move in and recreate its living environment.

Is it all over? No, it's just beginning for some areas of the state. At first, people moved into the choicest weather areas along the coast. Now, however, they are willing to buy their dream home in less expensive areas like the hot Central Valley. But, they still cope with the statewide drought, and drive a two-hour commute (possibly each way!)

Overlooked by the doomsayer pundits is the California higher education system, with nearly 2 million enrolled, from the world-class Nobel Prize-laden University of California system, down to the two-year community colleges. Current tuition is extremely low, given the return to graduates (and their families) when they hit the job market. If you live in the hinterland you can still send your kids to the state's magnificent education system.

The irony currently is watching every man, woman and child covered with soap as they shiver while conserving water. (Conservation, to a resident of rainy Washington State, simply means turning off the hose while he is washing his car.)

For builders and remodelers, the lesson this time in California is about water conservation. In one Northern California county, the Water Department has recently mandated low-flow toilets in all new and remodeled construction. Lugging buckets from showers to flush toilets and water the garden is no fun. So the new challenge for our readers has to be providing cost-efficient recycling and less wasteful delivery from those water pipes—another valuable California lesson for the builder/remodeler wherever you live.

Recession Linked To Global Housing

A recent study by the Paris-based Organization for Economic Cooperation and Development reported housing starts in 13 industrialized nations (including the U.S.) fell an average 5% from 1989 to 1990.

A global slowdown of that magnitude could delay recovery in the U.S. economy, said the U.S. League of Savings Institutions, by cutting demand for U.S. exports of housing-related consumer goods.

League officials pointed out that housing directly or indirectly accounts for an estimated 5% of all economic activity, abroad as well as at home. Increasing exports is a key factor in a speedy U.S. recovery. □

Market Rebound Spurs Optimism

The Gulf War cease fire did wonders for the buying public and didn't hurt the mood of builders and remodelers either. The February *PB&R*/Owens Corning Fiberglas Contractor tracking study shows that optimism is soaring—it jumped 43 percentage points in less than 30 days.

What is your outlook for the new housing/remodeling business in your area during the next three months? Do you think it will be:

	Jan. 1990	Jan. 1991	Feb. 1991
Better?	48%	29%	72%
Worse?	10%	15%	1%
Same?	42%	56%	27%

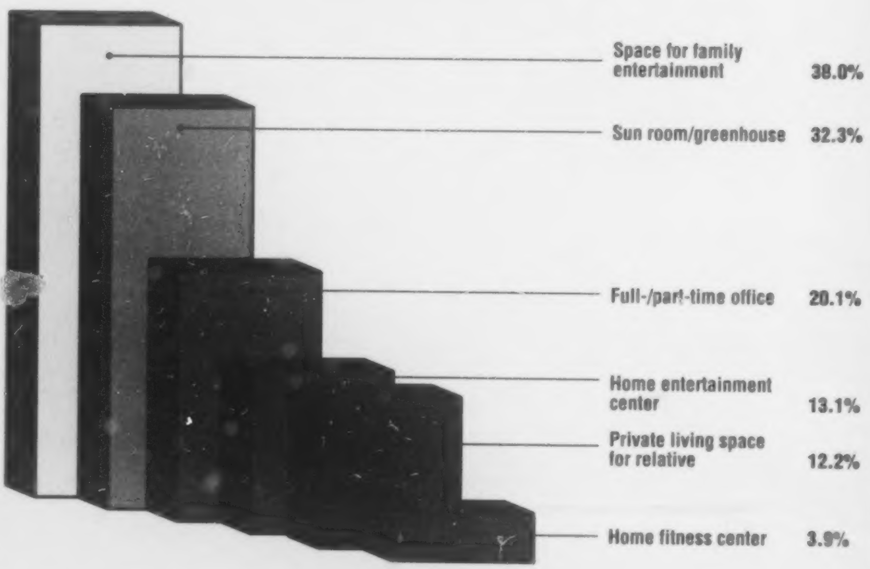
Source: Contractor Tracking Study

What's HOT In New Rooms

With specialization the trend, builders must create rooms for very particular needs and interests.

By Susan Bady, Senior Editor and Lisa Marquis, Staff Editor

What Consumers Want In A Room Addition



Source: *Professional Builder & Remodeler* consumer remodeling study, December1990.

Photo: Industrial Photographics

Photos: Glen Allison

Photo: J.L. Smith Photography

The preferences of consumers planning a room addition, see chart, left, reflect trends in new housing. Media rooms, left and far left, are popular, but the latest hot button is the home theater, top.

Imager 150 projector: *General Electric.*

At Roxford Crest, a community of detached homes in Tustin Ranch, Calif., the media room, photo, far left, is a popular option. The multiple-TV setup appeals to move ups, who can watch television at the same time their preteen children are playing computer games, says Linda Woods, marketing director for builder Bramalea of California.

Don Anderson of Color Design Art conceived the idea for a rotating TV, bottom two photos, left, in a townhouse at The Admiralty in Dana Point, Calif., built by Pulte.

Because there was not enough space for a large-screen TV set in both the master bedroom and adjacent media room, Anderson designed a free-standing TV that rotates back and forth between rooms. The set is wired through the bottom of a circular drum.

Las Vegas builder Sam Sullivan, of Structural Management of Nevada, says the latest hot button for upscale buyers is the home theater, top photo. Sullivan is putting theaters into three other houses and plans to do more. This system includes a projector with 100-inch screen, VCR and stereo. Components are hidden in cabinets below the screen. □

Office Space Is In Demand For Both New And Remodeled Homes

Brudno/Routh remodeled a home in Austin, Texas to include a multipurpose area, photo, below left. The previous owners planned to remodel the entire boxcar-shaped home but ran out of money before one end, containing a 1950s kitchen and a non-functioning garage area, was completed. Brudno/Routh turned this end of the house into a guest room, media room and study.

The 22-by-24-foot study received special emphasis. The owners can enter the main part of the home through the garage without interfering with the privacy of the study. French doors keep it bright and open up to a refinished courtyard. Elaborate hardware and paneling were designed to match the original remodel.

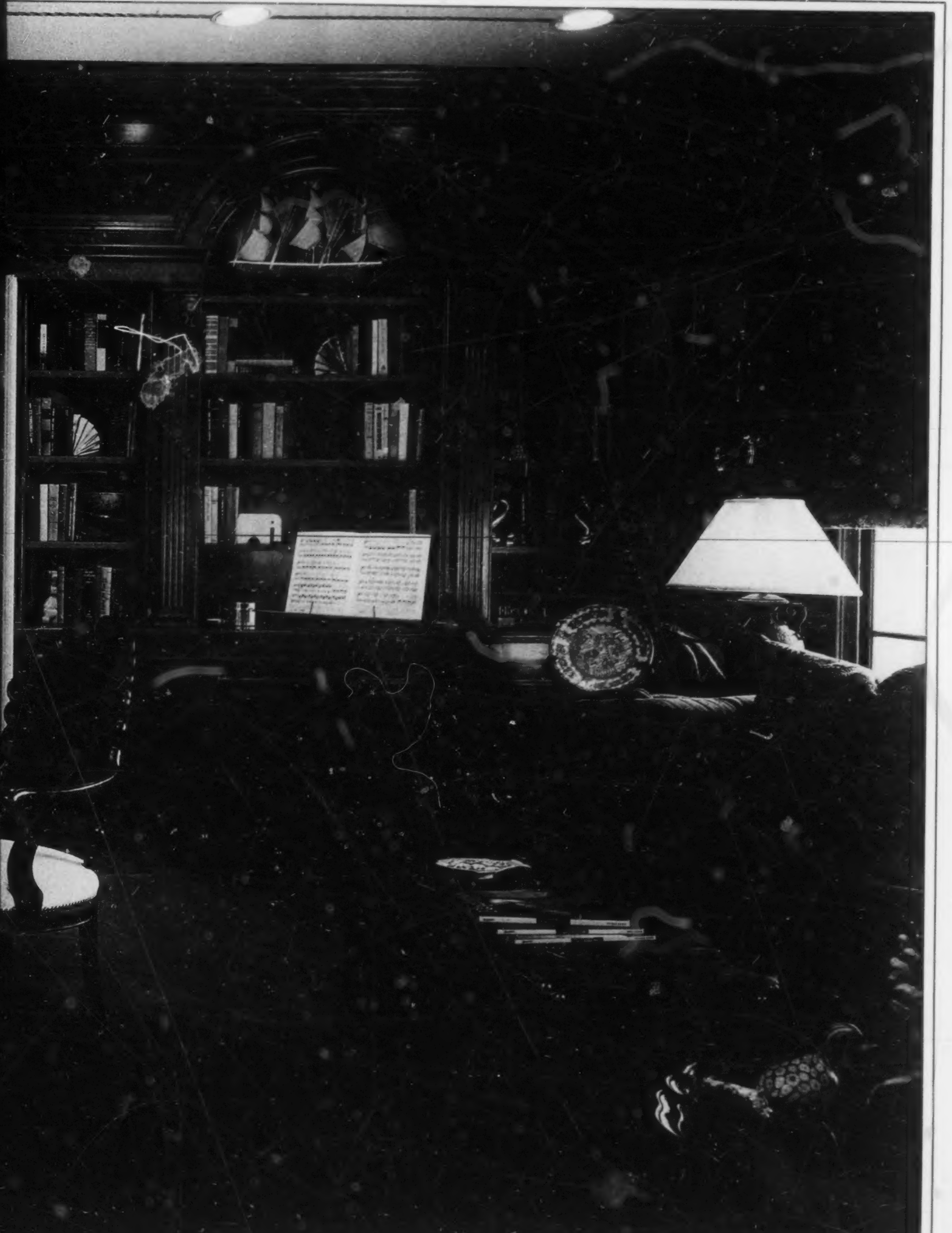
The home office, photo, below right, is included in the Sussex model at WoodBridge in Elgin, Ill., built by the Zale Group. Located off the foyer on the main level of the house, the room offers privacy, interior French doors, plenty of windows and an optional vaulted ceiling.

The elegant sitting room and library pictured at right are featured in the 9000-square-foot Marshall model at Woodlea Mill in McLean, Va., a community of estate homes priced from $1.2 million to $2 million. Mitchell Racoosin of Associated Builders says he includes libraries in all of the houses he builds.

"About 90% of our clients use the library as an office," Racoosin says. The room has cherry-wood paneling, custom-designed bookcases and finely detailed millwork that is done in an on-site shop. Note the fire-piece, solid cherry crown molding and arched casing over the bookshelves. □

Brudno/Routh created a study out of a non-functioning garage, above left. Light, bright home office, right, is in the Sussex model at WoodBridge, built by the Zale Group. Library and sitting room at Woodlea Mill, far right, is often used as an office. Home was built by Associated Builders.

Photo: Maxwell Mackenzie



Special Rooms Designed For The Pursuit Of Fitness And Relaxation

Young professionals with children love the bonus room, photo below, at Middlebrook Manor in Germantown, Md. According to Christopher Zell of Winchester Homes, the 18-by-18-foot room can be used as a media room, playroom, exercise room or anything else the homeowner desires.

"It's an extra edge," says Zell. "Our buyers are typically second or third move ups, and we have to offer them something different."

The bonus room is included in the base price of one model and offered as an option in two others (cost: $12,000). It is merchandised here as a game room and home office.

The walk-in closet and dressing room shown at right was created for the owner of a beach house near Santa Barbara, Calif. Builder Cliff Carpenter crafted the home of clear all-heart redwood.

The skylight lets natural light into the room but is tinted and has a redwood grille to cut direct rays that fade clothing.

The elaborate game room, top photo, far right, is part of an addition to a Glendora, Calif., home remodeled by T.A. Russell Construction. Russell added over 1700 square feet above the existing garage in this two-story addition.

The game room is located on the main level of the home and is approximately 875 square feet. Designed as an area for homeowners to relax and entertain, the room features a vaulted ceiling, fireplace and full bar.

In one model at Grosse Pointe Village in Vernon Hills, Ill., built and designed by Centex Homes, the fourth bedroom is converted to an exercise room adjacent to the master suite, below, far right. The room measures 10½ feet by 12 feet with plenty of space for equipment. □

Photo: Larry A. Falke

Bonus room, above, tempts move ups. Redwood closet, right, is part of a his-and-her walk-in closet and dressing area.

Photo: Larry Huene

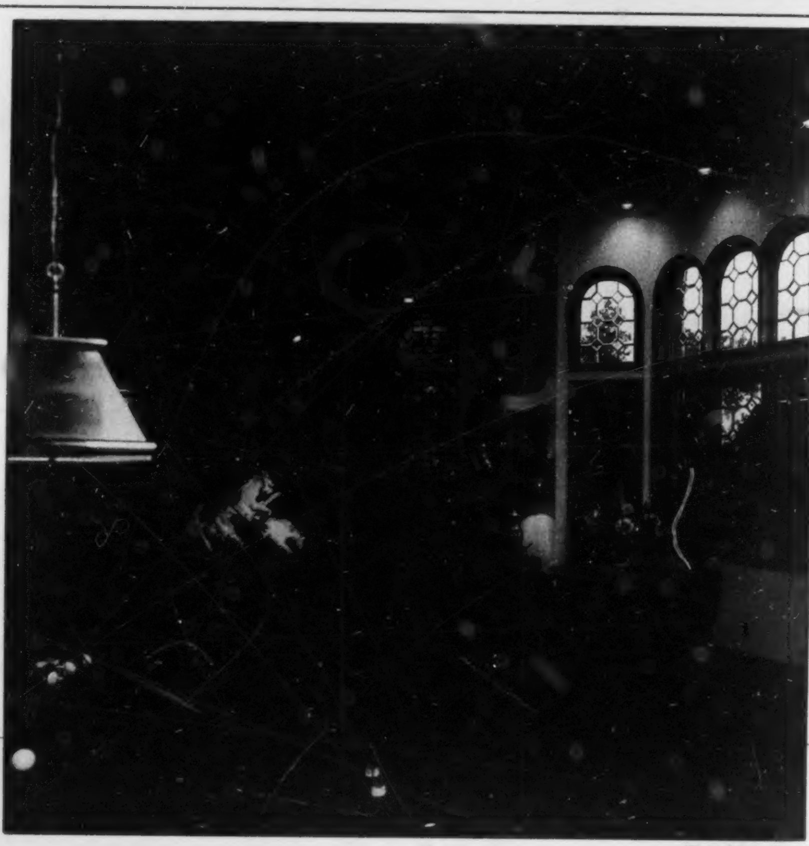


Photo: Dennis Davis

Game room, top photo, is part of a two-story addition built by Todd Russell. The 875-square-foot room includes a fireplace, full bar and pool table. Above, exercise room at Grosse Point Village, by Centex Homes, is a converted fourth bedroom adjacent to the master suite.

Photo: Marvin Sloben

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PROFESSIONAL BUILDER & REMODELER (ISSN-1053-6353) (GST -123397457) Vol. 56, No. 10 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Frank J. Sibley, Executive Vice President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. **Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377.** PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $139.95, two years $229.95; Canada/Mexico, one year $179.95, two years $299.95; other countries, one year $195.95, two years $325.95. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyziak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800. PROFESSIONAL BUILDER & REMODELER, PROFESSIONAL BUILDER and ANNUAL REPORT OF HOUSING'S GIANTS are trademarks of Reed Properties Inc., used under license.

INDICATORS

Multifamily Production Continues To Slide

The credit crunch and continued recessionary trends keep multifamily starts down.

The hoped-for recovery in multifamily construction has been dealt a severe blow by the credit crunch and the general economic recession. Cahners Economics forecasts that declines in apartment and condominium unit production will continue through 1991, with total starts in multifamily buildings falling for the sixth consecutive year.

Total multifamily starts last year declined to 298,000 units, 20.1% below 1989's level. Seven out of every eight starts were in buildings with five or more units. Inflation-adjusted spending on new apartment and condominium/cooperative buildings fell 15.7% in 1990.

Through the first three months of 1991, multifamily construction starts were at the seasonally adjusted annualized rate of only 194,300 units. There were signs, nevertheless, that the worst of the declines are behind us. Building permits for new multifamily construction surged almost 19% during March, recovering from the extraordinarily low rates recorded under the pall of the January-February Persian Gulf War.

Other positive long-term indicators include falling apartment vacancy rates and rising absorption rates for those declining numbers of units that are coming to market. The rental vacancy rate for last year's final three months stood at 7.2%, down 0.3 percentage points from the first quarter of the year. Similarly, trends in the absorption rate show demand for the greatly reduced supply of apartments that are being completed. □

Interest Rates Drop; Affordability Climbs

Mortgage interest rates have been the pleasant surprise of the spring. Declines since November have been uninterrupted and of a more substantial magnitude than all but the most optimistic forecasters had expected.

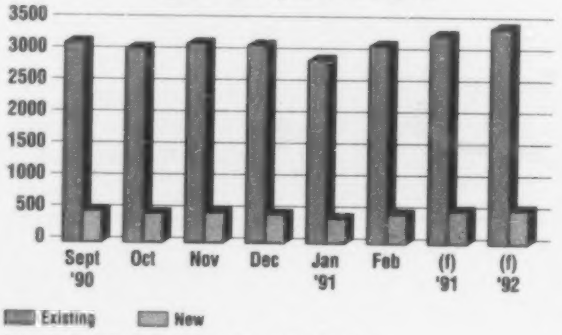
The average fixed-rate mortgage written during February of this year cost 9.37%—more than a full percentage point less than the most recent peak of 10.48% recorded during May of last year. Consumers can expect even lower rates in the days ahead. For all of 1991, Cahners Economics is forecasting that fixed-rate mortgages will average 9.25%. □

Regional Market Conditions
(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Providence, R.I.	-13.1%	$85,637	-12.9%	-1.9%
Buffalo, N.Y.	-11.9%	$111,545	+18.4%	-0.7%
Washington, D.C.	-24.6%	$83,304	-5.5%	-0.7%
Birmingham, Ala.	+1.7%	$87,015	-5.8%	+1.5%
Little Rock, Ark.	+11.0%	$81,048	-5.7%	+1.2%
Indianapolis	+2.1%	$109,327	+7.6%	+0.5%
Des Moines	+19.1%	$90,943	+49.1%	+0.7%
Albuquerque	-8.8%	$91,293	-3.6%	+0.4%
Portland, Ore.	+25.3%	$109,235	+40.1%	+2.6%

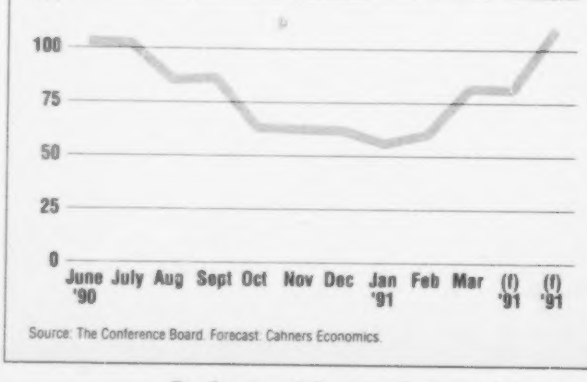
Source: U.S. Departments of Commerce and Labor.

Single-Family Home Sales



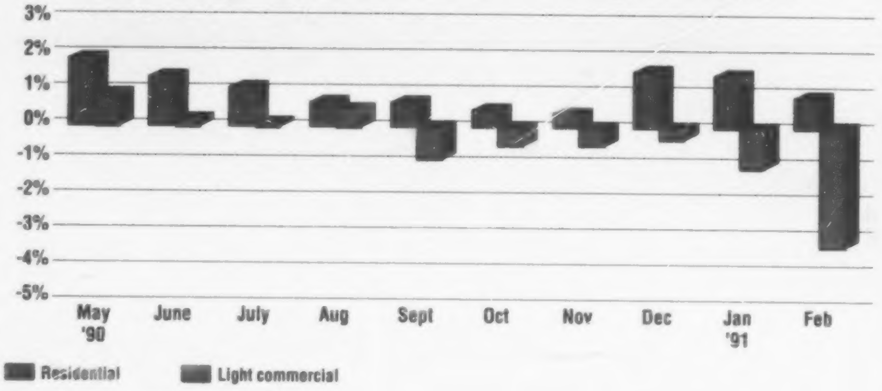
Data reflect seasonally adjusted annual rate, in thousands.
Source: National Association of Realtors; U.S. Dept. of Commerce. Forecast: Cahners Economics.

Consumer Confidence Index
(1985=100)



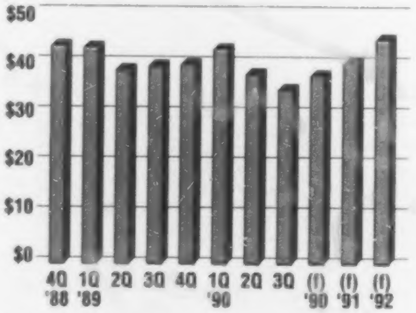
Source: The Conference Board. Forecast: Cahners Economics.

Remodeling Permit Trends: Residential & Light Commercial



Data reflect percent change in 12-month moving totals.
Source: U.S. Department of Commerce.

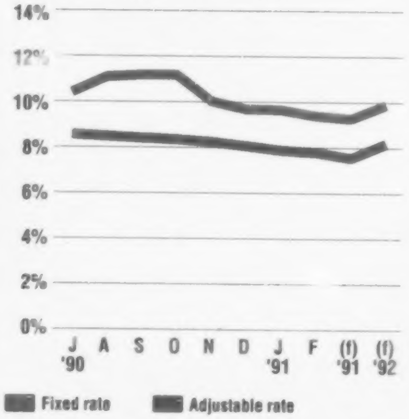
Consumer Spending on Residential Remodeling



Data reflect seasonally adjusted annual rates, billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Mortgage Interest Rates

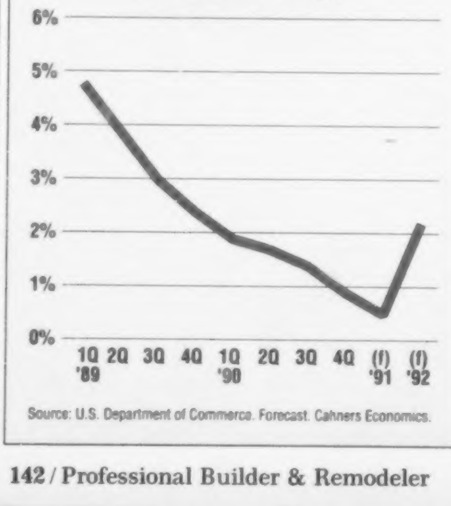
(Monthly Average)



Source: Federal Home Loan Mortgage Corp. Forecast: Cahners Economics.

Growth In Real Disposable Personal Income

(Over-The-Year % Change)



Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Key Trends At A Glance

	Feb 1991	June 1990
Total housing starts*	989,000	1,187,000
New home sales*	467,000	549,000
Remodeling permit trend	-3.3%	+3.1%
Consumer confidence index**	59.4	102.4
Median new home price	$127,500	$125,000
Fixed-rate mortgages	9.37%	10.16%
Construction wage trend	+1.6%	+2.6%

* Seasonally adjusted annual rate.
** 1985 = 100.

Commercial Remodeling Activity Weakens

Even as the residential building sector shows the first sign of recovery, activity in the commercial sector continues to fade. Although all indications are that commercial renovation/rehabilitation work is holding up better than new commercial development, the reconstruction market is weakening.

Early in 1990, the value of residential remodeling permits was growing at the rate of 2.6% annually. At the same time, permits for commercial reconstruction work were moving ahead at a 6.4% annual rate. This relationship was turned on its head in mid-1990. During February, light-commercial reconstruction permit values were declining at a 3.3% annualized rate. Continued weakness is expected. □

Existing Home Sales Bounce Back

Sales of existing single-family homes have held up much better than the sales of new homes during this severe housing recession. Last year's total resales were 4.7% below the 1989 total—a more modest decline than the 17.8% drop in new home sales.

It was encouraging to see a surge in resales following the resolution of the Persian Gulf crisis. The January resale rate represented the low point of this cycle; the annualized rate of existing home sales rose by almost 8% during February. □

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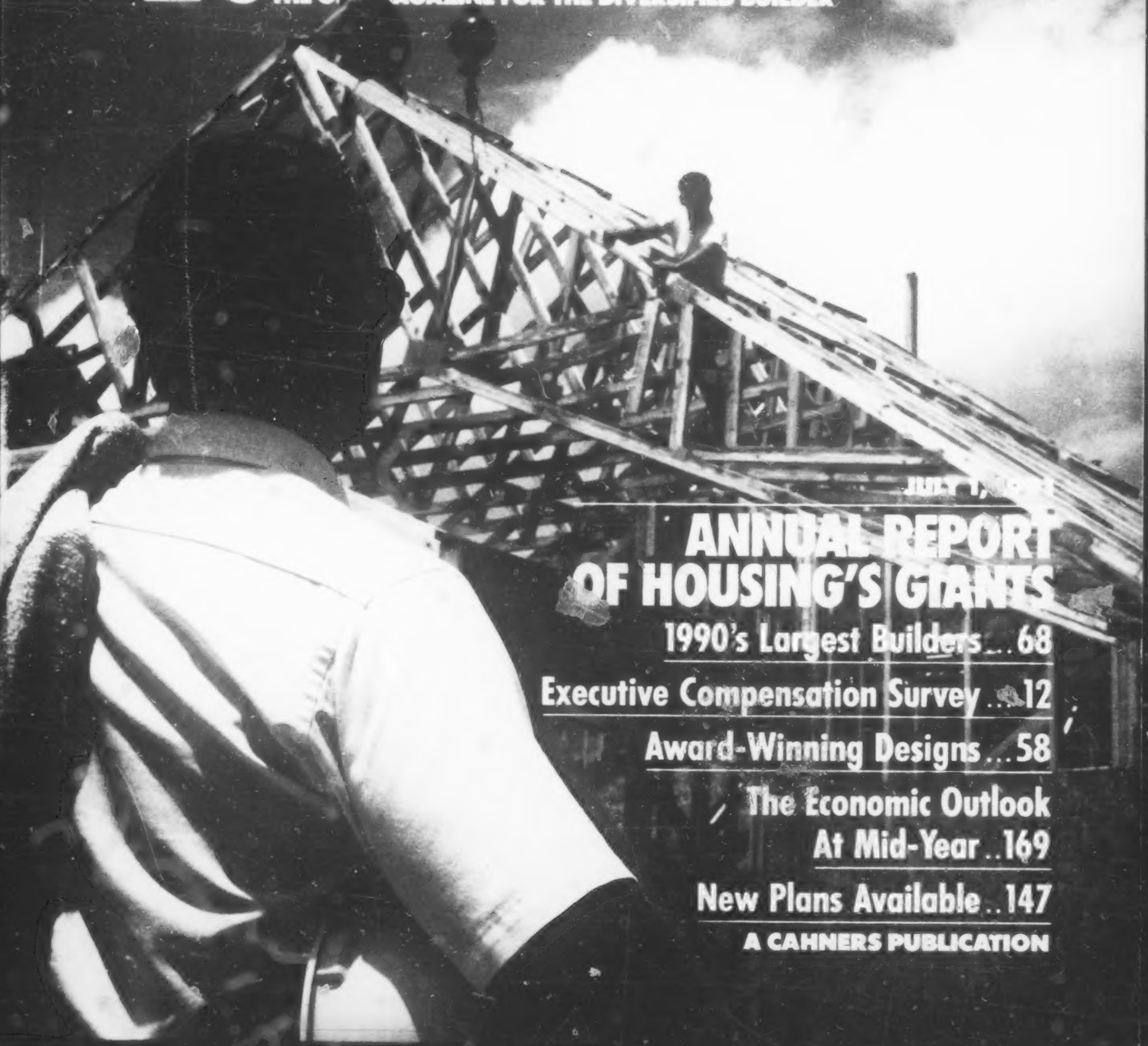
Professional Builder & Remodeler

THE O[illegible] MAGAZINE FOR THE DIVERSIFIED BUILDER



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ANNUAL REPORT OF HOUSING'S GIANTS

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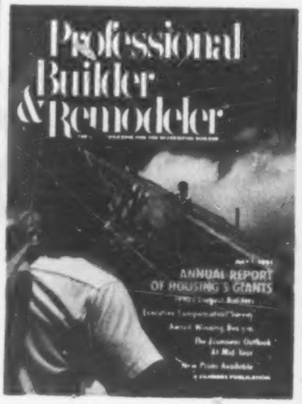
Professional Builder & Remodeler
ANNUAL REPORT OF HOUSING'S GIANTS

On The Cover

■ In this issue, we present our 24th ANNUAL REPORT OF HOUSING'S GIANTS®. While it has been one of the industry's most turbulent years, there are many strong performers worth watching. Coverage begins on page 68. Photography by Everett & Soulé.

The nation's 400 largest builders: page 68.

Executive pay: page 12.

FEATURES

1991 Gold Nugget Winners 58

Design ideas that are ripe for the picking can be found in this feature, which presents the winners from the 1991 Gold Nugget Awards, conducted by the Pacific Coast Builders Conference.

24th ANNUAL REPORT OF HOUSING'S GIANTS® 68

The bottom line to this year's Giants report can be summed up in one word: shakeout. But while 1990 was a rough year, it signals a new era of leaner companies, tighter management controls and better profitability down the road.

Our complete report includes a statistical overview (beginning on page 68), capsule company reports (beginning on page 76), and a quick reference index (page 116).

JULY 1, 1991

Gold Nugget award winners: page 58.

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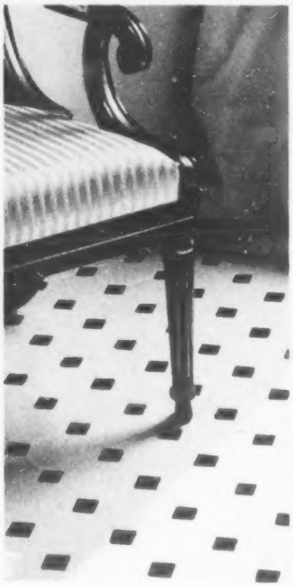

New tile products: page 124.

Business

■ Who got the biggest raises in 1990? It wasn't homebuilding COOs—in fact, they took a pay cut. Our salary survey shows the impact of the recession and changing markets on executive pay, and what's ahead: *p. 12.*

Markets

■ In the luxury home market, the process of creating a house is akin to sculpture. For architect Barry Berkus, each home is a portrait of the clients: *p. 23.* For Evans Brothers Construction, doing it fast and right spells success in the custom home market: *p. 28.* A Minneapolis builder has created a dream home devoted to storage options: *p. 38.*

Management

■ The decision to relinquish control of a family-run business is inevitable—and sometimes sudden. Tips on passing the torch: *p. 47.* A simple $300 drafting tool is boosting sales for a Texas remodeler: *p. 54.*

Technology

■ A Montana builder promotes the use of recycled materials and resource-efficient products in home construction: *p. 121.*

Next Issue

■ In August, we'll feature best-selling kitchens & baths, ways to cut costs with factory-built housing, and how to market energy-efficiency packages.

BUSINESS

■ EXECUTIVE COMPENSATION

Recession, Rise Of 'Buyers Markets' Impact Salary And Bonus Trends

Who got the biggest raises in 1990? It wasn't homebuilding COOs—in fact, they took a cut.

The decline in housing starts is an obvious measure of the changes this industry is facing, but it may also be gauged in pay and benefits trends for top managers. They suggest a reshuffling of management priorities as well as increased emphasis on design and quality control.

It still pays to be the "top dog." CEOs enjoyed a 14% pay increase. COOs, on the other hand, took a 19% cut—probably indicative of leaner top management structures at many firms. However, the most significant increases in base salary and compensation went to the top *architectural design*, *single-family development* and *construction* executives.

The data are based on a survey of 65 homebuilding firms by San Diego-based consultant Lee Stephens & Associates. Not all firms reported data for all job categories and, as Stephens points out, the great majority of responses were either from West Coast firms or multisector firms headquartered in California.

Nevertheless, he says the survey confirms a shift in home buying from a sellers' to a buyers' market of demanding trade-up customers. Long-term incentives were also improved for design/quality control managers. For example, incentive stock options averaging $22,000 were reported for architectural design managers in 1990—none were reported in 1989.

Mortgage finance officers and controllers enjoyed increases as well, reflecting their increased importance in the face of the current "credit crunch." Sales and marketing executives, on the other hand, experienced cuts—chiefly in bonuses.

"We may be on the threshold of major changes in this industry," Stephens says, as lenders and investors are looking deeper into a firm's management, internal organization and reputation apart from the viability of any single project.

Despite softening markets in many areas, some 90% of participating firms said they plan to grant merit raises in 1991. The average increase anticipated for all employee groups combined was 5.5%, from 6.1% for CEOs, COOs and corporate department heads to 5.6% for sales managers, and 5.4% for clerical staffers.

Firms participating in Stephens' survey pay a participation fee for which they receive a 200-page management report.

Interested firms and executives should contact Lee Stephens & Associates, 2168 Balboa Ave., Suite 3, San Diego, CA 92109. ☐

Executive Pay: Who Makes The Most

Corporate Position	Average Base Salary	Average Annual Bonus	Total Compensation	% change 1989-1990
Chief Executive Officer	$269,000	$471,000	$620,000	14%
Chief Operating Officer	$211,000	$298,000	$446,000	– 19%
Top Development Executive (SF)	$130,000	$175,000	$295,000	21%
Top Development Executive (MF)	$98,000	$53,000	$151,000	– 15%
Chief Financial Officer	$124,000	$94,000	$205,000	– 1%
Controller	$73,000	$26,000	$94,000	7%
Top Mortgage Financing Executive	$127,000	$56,000	$179,000	2%
Top Sales & Marketing Executive	$80,000	$37,000	$113,000	– 5%
Customer Service Manager	$46,000	$8000	$52,000	0%
Top Construction Executive	$92,000	$36,000	$123,000	11%
Top Land Engineering/ Development Executive	$83,000	$30,000	$109,000	– 4%
Top Architectural Design Executive	$80,000	$21,000	$97,000	26%
Top Land Acquisition/ Sales Executive	$98,000	$35,000	$125,000	– 4%

Executive Pay: Long Term Incentives

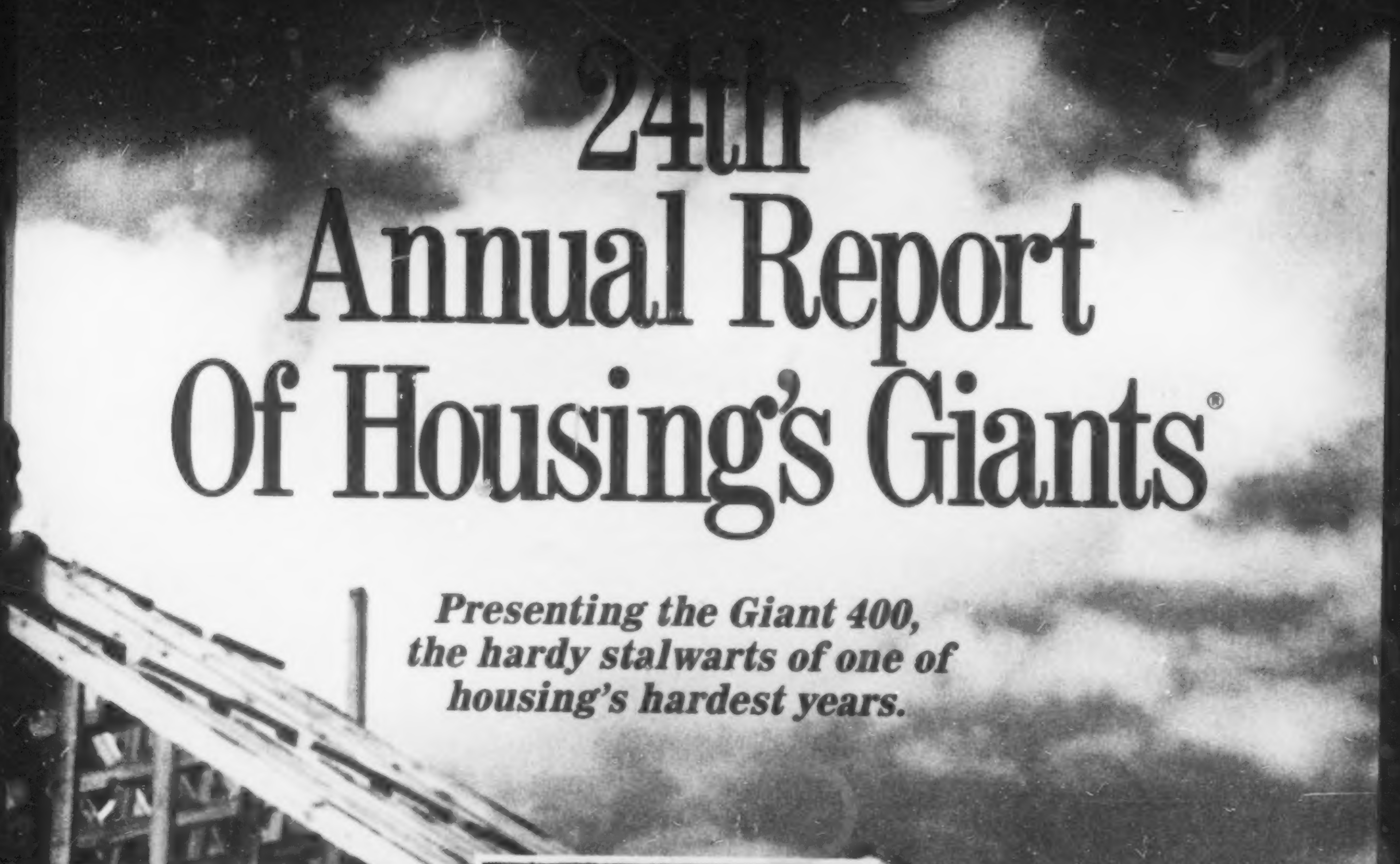
Corporate Position	Incentive Stock Options	Other Stock Plans	Phantom Stock	Project Equity Participation
Chief Executive Officer	$548,000	$1,093,000	$54,000	$540,000
Chief Operating Officer	$487,000	$881,000	—	$460,000
Top Development Executive (SF)	$103,000	$1,013,000	—	$165,000
Chief Financial Officer	$159,000	$391,000	$58,000	$161,000
Controller	$2000	$390,000	$100,000	$60,000
Top Mortgage Financing Executive	$2000	$104,000	$2000	—
Top Sales & Marketing Executive	—	$9000	—	$40,000
Top Construction Executive	—	$50,000	—	—
Top Land Engineering/ Development Executive	$2000	$13,000	—	$10,000
Top Architectural Design Executive	$22,000	$10,000	$2000	—
Top Land Acquisition/ Sales Executive	—	$57,000	—	$10,000

Executive Pay: Benefits & Perks

Corporate Position	Company Car Or Allowance	All Insurance	Pension & Retirement Plan	Clubs
Chief Executive Officer	$8000	$11,000	$21,000	$5000
Chief Operating Officer	$3000	$9000	$10,000	$7000
Top Development Executive (SF)	$7000	$6000	$10,000	$1000
Top Development Executive (MF)	$8000	$7000	$5000	$2000
Chief Financial Officer	$6000	$8000	$9000	$1000
Controller	$4000	$5000	$5000	$1000
Top Mortgage Financing Executive	$4000	$6000	$8000	—
Top Sales & Marketing Executive	$6000	$5000	$7000	$1000
Customer Service Manager	$5000	$4000	$3000	$1000
Top Construction Executive	$6000	$6000	$6000	$1000
Top Land Engineering/ Development Executive	$6000	$7000	$6000	—
Top Architectural Design Executive	$5000	$4000	$5000	$1000
Top Land Acquisition/ Sales Executive	$6000	$6000	$6000	$2000

Trammell Crow, Wausau And Fleetwood Remain Leaders

	For Sale Housing	Rental Housing	Mobile Homes	Manufactured Housing
1.	Centex Corp. $1,846,401,000 8214 units	Trammell Crow Residential $625,083,000 8861 units	Fleetwood Enterprises $566,000,000 35,020 units	Wausau Homes $82,000,000 3000 units
2.	William Lyon Cos. $982,585,000 4436 units	Boston Capital Partners $275,000,000 4400 units	Rodman Homes $329,318,000 15,962 units	National Enterprises $57,382,000 4700 units
3.	Ryland Group $822,470,000 8111 units	Lincoln Property Co. $200,186,000 3333 units	Skyline Corporation $268,811,000 14,432 units	Nanticoke Homes $55,142,345 852 units
4.	Kaufman & Broad $816,386,000 4837 units	Summit Properties $152,073,000 2425 units	Champion Home Builders $221,764,000 10,684 units	North American Housing $45,468,000 1318 units
5.	NVR L.P. $805,825,000 3096 units	Lokey Companies $143,000,000 1000 units	Clayton Homes $164,062,000 9932 units	Lindal Cedar Homes $43,000,000 630 units
6.	PHM Corp. (Pulte) $768,970,000 5748 units	Picerne Properties $143,000,000 1700 units	Schult Homes Corp. $145,318,000 5725 units	Ritz-Craft Corp. $37,000,000 1650 units
7.	Weyerhaeuser Real Estate $644,000,000 4477 units	Casden Company $130,000,000 594 units	Palm Harbor Homes $128,923,716 5700 units	PLH Corp. $35,100,000 1000 units
8.	U.S. Home Corp. $631,364,000 4860 units	A.G. Spanos $102,230,000 1668 units	Commodore Corp. $112,467,000 5234 units	Coachmen Industries $29,584,000 836 units
9.	Shapell Industries $496,401,383 1051 units	GBW Properties $101,000,000 1555 units	Oakwood Homes Corp. $106,955,000 5554 units	Ryland Group $28,530,000 5846 units
10.	Lewis Homes Group $381,461,000 2482 units	Colson & Colson $84,150,000 1377 units	Horton Homes $82,000,000 5000 units	DeLuxe Homes of Pa. $27,563,000 719 units



24th Annual Report Of Housing's Giants®

Presenting the Giant 400, the hardy stalwarts of one of housing's hardest years.

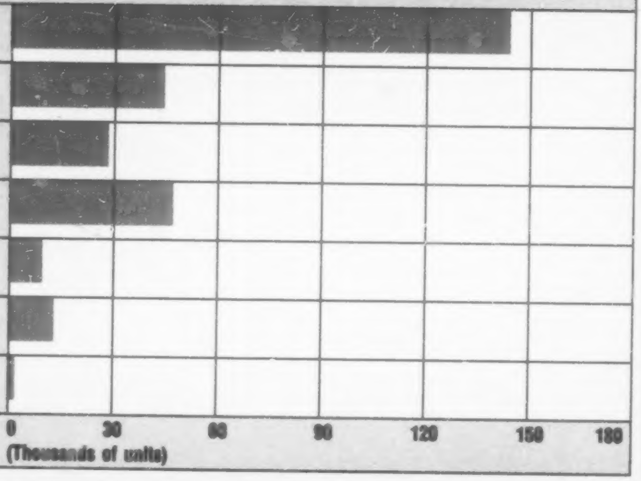
For the Giant 400, 1990 will be remembered as the year of the *$10 billion shakeout*. Total 1990 revenues for the Giant 400 were just $46.3 billion—a far cry from the $56.9 billion posted in last year's report (covering 1989 activities) to say nothing of the record $57.8 billion achieved in 1987.

While a $10 billion free fall is breathtaking, it doesn't come as much of a surprise. The general economic recession alone would have been brutal enough, but ruinous regional collapses, paralyzing war fears and the credit crunch combined to make 1990 a year of hard lessons. So as *PB&R* editors collated revenue reports, they also compiled hard luck stories and statistics:

- ✓ A total of 71 veteran Giants fell from the 400 this year—nearly 18%.
- ✓ One East Coast builder of apartments reported $200,000 worth of sales in 1989—zero for 1990. The move was planned, according to a company executive: "1989 was a year to finish up, sell off and shut down construction for the duration."
- ✓ U.S. Home (ranked #10), General Homes (#47), General Development (#258) and Catalina/Jonathan Homes (#269) have something in common: All are currently operating under Chapter 11 reorganization plans but built enough product to make the list. Some other firms, most notably Gigliotti, are also in bankruptcy but failed to make the 400 cutoff.
- ✓ FIRREA's fallout took its toll. Typical was the letter we received from one Giant who explained that his firm was principally owned by an RTC-run S&L "which, for all intents and purposes, shut down operations."
- ✓ Many builders were reluctant to respond to our requests for information. We tracked down one CEO who said he was literally in the middle of winding up operations: he was

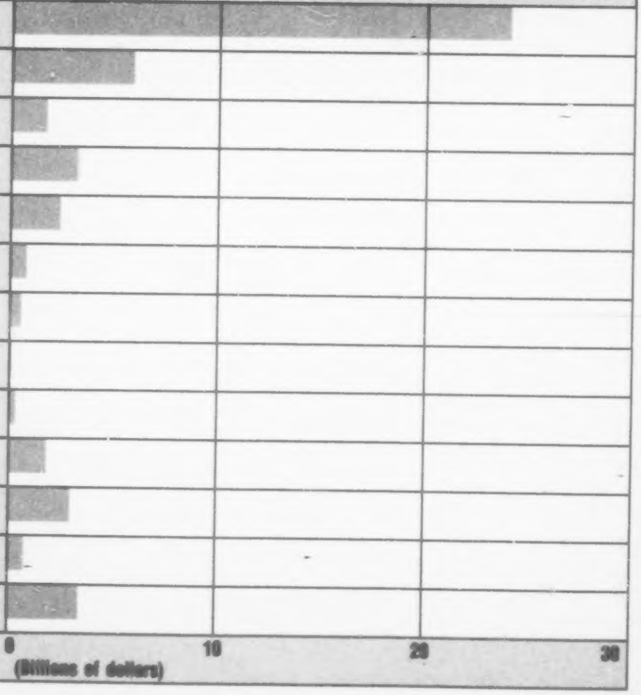
The Giant 400 Unit Production In 1990

Source	1990	1989
Single-family detached for sale 145,892 units	49.8%	46.2%
Single-family attached for sale 44,750 units	15.3	15.6
Low-rise apartments for own portfolio 29,065 units	9.9	12.4
Low-rise apartments for investors 48,397 units	16.5	18.3
Modular housing 9828 units	3.4	3.7
Panelized housing 14,130 units	4.8	3.3
Precut housing 1430 units	0.5	0.5
Total units	292,682	355,393



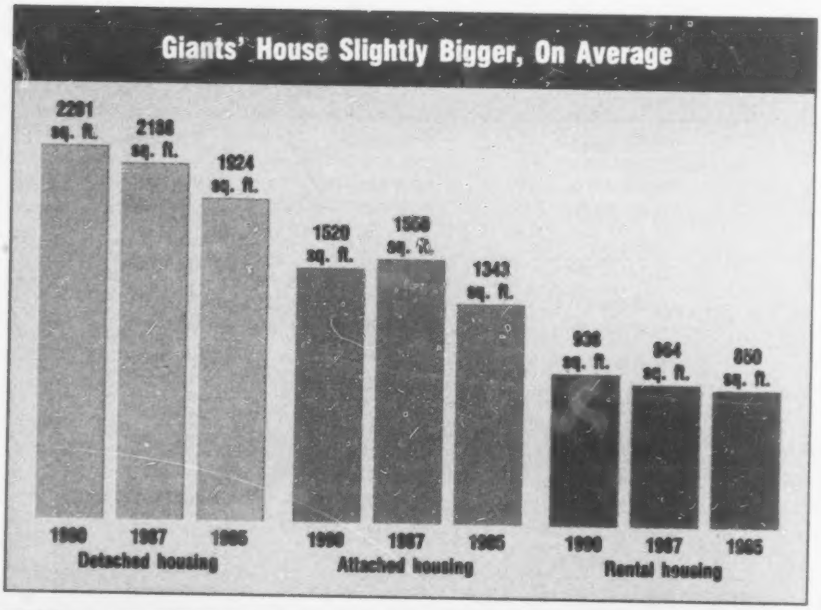
How The Giant 400 Earned Their Revenues

Source	1990	1989
Single-family detached for sale $23,815,982,882	50.9%	45.7%
Single-family attached for sale $5,517,556,187	11.9	12.8
Low-rise apartments for own-portfolio $1,810,534,882	3.9	5.0
Low-rise apartments for investors $3,271,729,392	7.0	7.5
Mobile homes $2,648,865,343	5.7	4.5
Modular housing $341,447,392	0.7	0.7
Panelized housing $185,568,592	0.5	0.2
Precut housing $52,658,000	0.1	0.1
High-rise $165,384,000	0.3	0.6
Land sales $1,928,139,873	4.1	6.0
Non-res construction $3,111,584,528	6.7	9.8
Remodeling and rehabilitation $187,087,811	0.5	0.5
Other (rents, fees, interest) $3,599,735,764	7.7	8.2
Total revenues		$46,335,368,000



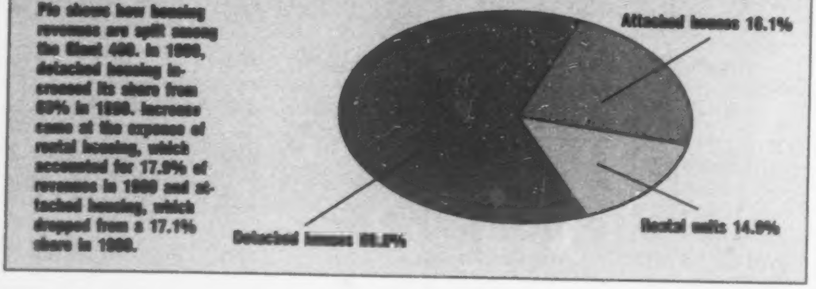
ANNUAL REPORT OF HOUSING'S GIANTS®

California is home to the most Giants, followed by Florida, Texas, Illinois and Pennsylvania. Seven Giants posted revenues of $1 billion plus.



Average Price Of Giants' Homes Are On The Rise

	1990	1989	1988
Single-family detached	$162,765	$158,500	$143,285
Single-family attached	123,300	123,830	115,285
Modular housing	34,745	31,575	34,535
Mobile homes	18,885	18,435	17,965
Rental (market value)	65,620	65,340	60,970



Pie shows how housing revenues are split among the Giant 400. In 1990, detached housing increased its share from 65% in 1989. Increase came at the expense of rental housing, which accounted for 17.9% of revenues in 1989 and attached housing, which dropped from a 17.1% share in 1989.

cleaning out his desk. We pried another away from "a week's worth of crisis negotiations" just long enough to fax us numbers. Yet another relented after a barrage of calls, telling us "there's a government man sitting across the desk right now—believe me, there are no numbers to report."

But shakeouts are a good-news/bad-news scenario. The story behind *Professional Builder & Remodeler*'s 24th ANNUAL REPORT OF HOUSING'S GIANTS® is that for every "loser" there are winners—leaner, more flexible companies better prepared to weather changing times; new players emerging from rebounding markets such as Texas. These are the leaders who will dictate the direction of the industry in the year ahead.

To compile this report, *PB&R* mailed surveys to its data base of large-volume builders. The list focuses on builders of low-rise (four stories or less) housing. Those firms that build high-rise housing exclusively are not included in this list.

Revenues reported are for either the calendar year or fiscal year 1990 and include sales which have been consummated or closed. Joint venture or partnership activities are included on a pro-rata basis.

PB&R estimates the revenues of a few builders it believes qualified for Giant status. Those estimates are noted.

In 1990, the industry's top 400 builders turned out a total of 432,890 new homes, broken down as: 189,842 for-sale units; 77,452 apartment units; 25,388 modular, panelized and precut units; and 140,208 mobile homes.

The Giant 400's overall share of market (both stick-built and manufactured) was about even with last year. The top 400 builders accounted for 24.6% of all conventional housing built in 1990 (down a full percentage point from the 25.8% mark posted in 1989) and 74.6% of all mobile homes (up from 1989's 69.6%).

While total revenue for the Giant

Centex Takes Total Revenue Lead; Kaufman & Broad Continues Rising

	1991 Report	1990 Report	1989 Report	1988 Report	1987 Report
1.	Centex Corp. $2,288,597,000	Trammell Crow $2,275,000,000	Trammell Crow $3,018,500,000	Lincoln Property $2,504,049,000	Lincoln Property $2,233,218,000
2.	Lincoln Property Co. $2,057,714,000	Centex Corp. $2,002,952,000	Lincoln Property Co. $2,126,997,000	Centex Corp. $1,460,061,000	Centex Corp. $1,303,897,000
3.	Trammell Crow Residential $1,717,693,000	Lincoln Property Co. $1,867,642,000	Centex Corp. $1,845,484,000	Trammell Crow $1,068,897,264	Trammell Crow $1,074,629,000
4.	Kaufman & Broad $1,366,264,000	William Lyon Co. $1,492,100,000	William Lyon Cos. $1,401,000,000	Weyerhaeuser $886,000,000	Weyerhaeuser $856,829,000
5.	Ryland Group Inc. $1,300,000,000	Ryland Group $1,400,000,000	NVR L.P. $1,321,275,000	NV Ryan $870,472,000	Pulte Home $843,714,000
6.	William Lyon Cos. $1,184,845,000	Kaufman & Broad $1,322,511,000	Ryland Group $1,271,875,000	Ryland Group $847,932,000	U.S. Home $796,524,934
7.	NVR L.P. $1,079,350,000	NVR L.P. $1,294,389,000	PHM Corp. $1,179,164,000	William Lyon $821,000,000	M.D.C. Holdings $706,219,000
8.	Weyerhaeuser Real Estate $811,000,000	Weyerhaeuser Real Estate $975,000,000	Kaufman & Broad $903,399,000	M.D.C. Holdings $799,800,000	William Lyon $682,141,000
9.	PHM Corp. (Pulte) $769,970,000	Watt Industries $735,000,000	M.D.C. Holdings $840,597,000	Pulte Home $793,600,000	Ryland Group $666,285,000
10.	U.S. Home Corp. $649,374,000	Paragon Group Inc. $720,526,000	Weyerhaeuser Real Estate $819,000,000	U.S. Home $786,859,000	N.C.H.P. $652,862,000

Trafalgar House Shows The Largest Dollar Increase As It Grows 174%

Builder	Increase 1989 to 1990	Total 1990 Revenues
1. Trafalgar House	$69,948,000	$110,000,000
2. Weekley Homes	$66,392,916	$222,394,916
3. Calton	$60,477,000	$194,132,000
4. Pulte	$59,471,000	$769,970,000
5. Meeker Development	$56,900,000	$164,000,000
6. Del Webb	$52,296,000	$241,787,000
7. Harkins Builders	$50,959,709	$177,959,000
8. Champion Home Builders	$48,957,000	$293,266,000
9. Flournoy Construction	$43,911,350	$83,161,350
10. Kaufman & Broad	$43,753,000	$1,366,264,000

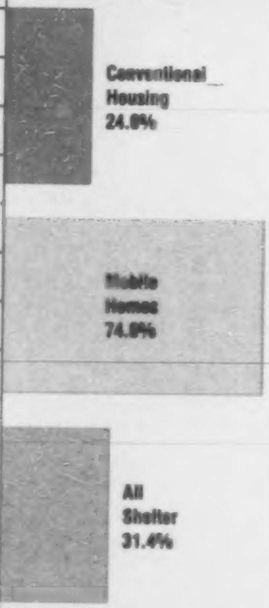
Builder	Percentage Increase 1989 to 1990	Total 1990 Revenues
1. Trafalgar House Property	174%	$110,000,000
2. Lowder Construction	135%	$88,216,000
3. Flournoy Construction	111%	$83,161,350
4. Signature Homes (Nevada)	69%	$85,185,000
5. Holly Corp.	68%	$76,301,403
6. LeCesse Corp.	67%	$85,200,000
7. Arker Cos.	55%	$53,000,000
8. Mercedes Homes	54%	$67,316,389
9. Ryder Homes	53%	$81,480,000
10. Meeker Development	53%	$164,000,000

ANNUAL REPORT OF HOUSING'S GIANTS®

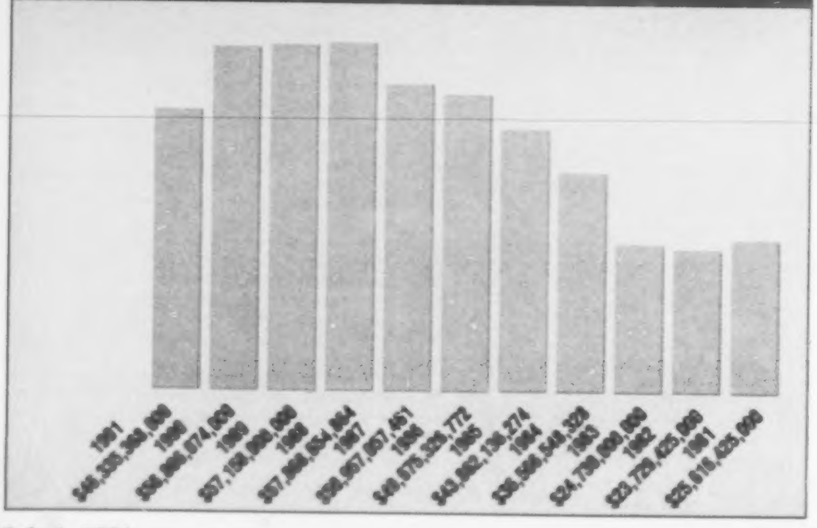
Who will lead the way in the year ahead? Veteran Giants who are leaner and more flexible as well as new players from rebounding markets.

The Giant 400's Share Of Market Holds At 24.6%

Year of report	Conventional housing	Mobile homes	All shelter
1979	18.4%	77.0%	25.5%
1980	20.8	82.2	29.2
1981	22.6	81.0	31.0
1982	22.8	82.1	32.6
1983	23.0	82.6	34.0
1984	21.3	75.4	29.3
1985	25.7	75.9	32.9
1986	27.9	69.2	33.8
1987	25.2	70.6	34.7
1988	24.6	73.7	30.7
1989	23.3	68.6	29.1
1990	25.8	69.6	31.3
1991	24.6	74.6	31.4



Giant 400's Total Revenues From All Sources Equal $46.3 Billion



400 was down by $10 billion, the revenue breakdown is consistent with years past. The most notable deviation was that the Giant 400 drew 51% of their revenues from single-family detached-home construction this year, up from 46% in last year's report.

The average Giant-built single-family detached home has 2201 square feet and sold for $162,765. In 1989, the average cost was $158,500. Attached for-sale product cost $123,300, compared to $123,800 a year earlier. Mobile home prices rose $450 to $18,885.

Apartment units put into service by the Giant 400 last year totaled 77,452—down from the 109,113 built in 1989. Revenues from apartment construction measured 10.9% of total revenues, off from the 12.5% posted the previous year and the 13.8% figure posted in 1987.

The No. 1 Giant this year is Centex Corp., which displaced Trammel Crow Residential from the top spot. (Trammel Crow would have been No. 1 had it reported non-residential revenues. However, the company recently reorganized and wants to maintain separate identities for its divisions.)

Centex also took top honors in the *For-Sale Housing* category, building 8214 units for $1.06 billion. It was followed closely by William Lyon Cos., Ryland Group, Kaufman & Broad and NVR L.P.

Trammel Crow was the leader in the *Rental Housing* category, building 8861 units for $625 million. Fleetwood Enterprises held the top spot among *Mobile Home* builders (35,000 units for $566 million). Wausau Homes led the *Manufactured Housing* category with 3080 units for $82 million.

The fastest growing Giant, on both a percentage and real dollar basis, was Trafalgar House Residential, which reported a gain of nearly $70 million over the previous year's report. Strong increases were also posted by 1990 Builder of the Year David Weekley Homes (up $66 million). □

ANNUAL REPORT OF HOUSING'S GIANTS®

Mobile Home Giants Fleetwood, Redman and Skyline Produced the Most Units; Ryland Offers A Mix Of For-Sale And Modular Product

RANK	COMPANY	TOTAL UNITS
1.	Fleetwood Enterprises	35000
2.	Redman Homes	15982
3.	Skyline Corp.	14432
4.	Ryland Group Inc.	13979
5.	Champion Home Builders	10684
6.	Clayton Homes Inc.	9932
7.	Trammell Crow Residential	9451
8.	Centex Corp.	8214
9.	Schult Homes Corp.	6251
10.	Horton Homes Inc.	6200
11.	PHM Corp. (Pulte)	5748
12.	Palm Harbor Homes Inc.	5700
13.	Oakwood Homes Corp.	5554
14.	Commodore Corp.	5234
15.	Jim Walter Homes Inc.	5213
16.	William Lyon Cos.	4995
17.	Kaufman & Broad Home Corp.	4937
18.	U.S. Home Corp.	4869
19.	National Enterprises Inc.	4760
20.	Weyerhaeuser Real Estate Co.	4742
21.	Boston Capital Partners Inc.	4480
22.	Cavalier Homes Inc.	4368
23.	Guerdon Homes	4250
24.	NVR L.P.	3896
25.	Liberty Homes Inc.	3480
26.	Lincoln Property Co.	3333
27.	Lewis Homes Group	3205
28.	Wausau Homes Inc.	3080
29.	Homes of Merit Inc.	3019
30.	Lennar Corp.	3011
31.	Golden West Homes	2807
32.	Harkins Builders Inc.	2719
33.	Edward Rose Building	2668
34.	Fuqua Homes Inc.	2623
35.	Patriot Homes Inc.	2507
36.	Summit Properties	2425
37.	M/I Schottenstein Inc.	2222
38.	General Homes Corp.	2211
39.	Hovnanian Enterprises	2191
40.	UDC-Universal Dev. LP	2152
41.	Blazer Building	2051
42.	M.D.C. Holdings Inc.	2031
43.	Lokey Cos.	2010
44.	Morris General Building	1983
45.	Anden Group	1841
46.	Del Webb Communities	1791
47.	Picerne Properties	1740
48.	Charter Group Inc.	1700
49.	Wick Building Systems	1691
50.	A.G. Spanos Construction	1668
51.	Dominion Developments Inc.	1616
52.	Robertson Homes	1598
53.	Woodcrest Development Inc.	1572
54.	GBW Properties	1555
55.	D.G. Assoc.	1524
56.	Barry, Bette & Led Duke Inc.	1498
57.	Regis Homes	1494
58.	Weekley Homes Inc.	1469
59.	Universal Constructors	1432
60.	Casden Co.	1422
61.	Tompkins Heritage Homes	1400
62.	Colson & Colson Construction	1377
63.	Fieldstone Co.	1354
64.	Continental Homes Holding	1350
65.	Dunmore Homes	1341
66.	North American Housing Corp.	1318
67.	Kimball Hill Inc.	1291
68.	Ritz-Craft Corp.	1289
69.	Watt Industries Inc.	1258
70.	Shea Homes	1243
71.	Triad Development Inc.	1221
72.	Elliott Homes Inc.	1214
73.	Beazer Properties Inc.	1212
74.	Calton Inc.	1210
75.	Landstar Homes	1203
76.	Primark Corp.	1197
77.	Forecast Group	1193
78.	J.L. Mason Group Inc.	1185
79.	Epoch Properties Inc.	1175
80.	Paragon Group Inc.	1156
81.	Drees Co.	1147
82.	Lexington Homes Inc.	1111
83.	Diversified Homes	1110
84.	Flournoy Construction	1093
85.	Pacific Scene Inc.	1077
86.	Castle & Cooke Properties	*(est.)* 1073
87.	Standard Pacific L.P.	1063
88.	Randall Group	1062
89.	PLH Corp.	1060
90.	Shapell Industries	1051
91.	DeLuxe Homes of PA	1043
92.	Embrey Investments Inc.	1036
93.	Coscan Development Corp.	1019
94.	Post Properties	1000
95.	Artery Organization Inc.	998
96.	Di Loreto Construction	984
97.	Friendswood/Village Builders	981
98.	Holly Corp.	967
98.	McMillin Communities	967
98.	Goldrich & Kest Industries	967
101.	Forest City Enterprises Inc.	950
102.	Arthur Rutenberg Homes Inc.	934
103.	Bozzuto & Assoc.	896
104.	Bramalea California Inc.	895
105.	Harold Moore Assoc. Inc.	890
106.	Western National Properties	886
107.	DiVosta & Co.	862
108.	Mercedes Homes	859
109.	Nanticoke Homes Inc.	852
110.	Coachmen Industries	836
111.	Griffin Homes	828
112.	Falcon Development Corp.	826
113.	Jacobsen Manufacturing	825
114.	Rayco Inc. (Ellison Homes)	811
115.	Hughes-Patwil Homes	806
116.	GlenFed Development Corp.	*(est.)* 790
117.	Hunt Building Corp.	782
118.	Newport Pacific Development	782
119.	Amrep Corp.	777
120.	Ahmanson Development Inc.	772
121.	Akins Development Co.	770
122.	Winncrest Homes	768
123.	Oriole Homes Corp.	767
124.	Kit Manufacturing Co.	763
124.	Lusk Co.	763
126.	Lowder Construction Co.	761
127.	Roberts Properties Inc.	754
128.	George Wimpey Inc.	736
129.	Wallick Construction Co.	735
130.	Toll Brothers Inc.	727
131.	Home Capital Dev. Group	723
132.	Barden & Robeson Homes	720
133.	Coleman Homes Inc.	708
133.	Andrade Development	708
135.	Van Daele Development	703
135.	Evans Withycombe Inc.	703
137.	Owings & Terry Homebuilding	702
138.	Shelter Canadian Holdings	700
139.	Emerald Homes/Verit Industries	699
140.	Bay Ridge Properties	692
141.	Warmington Homes	685
142.	Contempri Homes Inc.	683
143.	American West Development	675
144.	Sexton Cos.	670
145.	Washington Homes Inc.	665
146.	A-M Homes	660
147.	Signature Homes (Nev.)	645
148.	Highland Homes	640
149.	Century Homes Communities	639
150.	Richmarr Construction Corp.	636
151.	Lindal Cedar Homes Inc.	630
152.	Lexington Homes-SKK Development	626
153.	Meeker Development Co.	623
154.	Barnett-Range Corp.	619
155.	Barratt American Inc.	607
156.	Mitchell Co.	600
156.	Dividend Development Corp.	600
156.	Rottlund Co.	600
159.	Hofmann Co.	591
160.	S&A Custom Built Homes	587
161.	L.J. Hooker Homes	585
162.	W.O. Brisben Cos.	579
163.	Sunrise Co.	577
164.	Hills Developers Inc.	575
165.	Town & Country Homes	572
166.	Schuler & Assoc.	565
167.	Holiday Builders Inc.	557
168.	J.M. Peters Co.	555
169.	Lycon Group	554
170.	Foreston Development Corp.	*(est.)* 550
171.	Panic Myers/Woodside Group	550
172.	Borror Corp.	544
172.	Cambridge Homes Inc.	544
174.	Newhall Land & Farming Co.	540
175.	Catalina Homes	*(est.)* 535
176.	General Development (Fla.)	531
177.	McBail Co.	530
178.	Summerhill Development	525
179.	James Lewis Corp.	524
180.	Douglas Allred Co.	517
181.	CEH Investments	516
182.	Prometheus Development Co.	515
183.	Wayne Homes	510
184.	FPA Corp./Orleans Construction	509
185.	Levitt Corp.	508
186.	Engle Group Inc.	504
186.	John Cooley Co.	504
186.	Baldwin Co.	504
189.	Orange Blossom Hills Inc.	502
189.	Leisure Technology	*(est.)* 502
191.	Linpro Co.	*(est.)* 501
192.	Trafalgar House Property	500
193.	Gulfstream Housing Corp.	484
193.	Crosland Contractors	484
195.	John Wieland Homes	482
196.	Grancorp	480
197.	Holiday Organization Inc.	468
198.	Estes Home Building	*(est.)* 464
199.	Fairfield Communities Inc.	460
200.	Royce Homes Inc.	457
201.	Covington Development Group	456

RANK	COMPANY	TOTAL UNITS
202.	Crosswinds Communities	450
203.	Torino Construction Corp.	448
204.	Kaplan Organization	(est.) 440
204.	Davis Building Corp.	440
206.	Pasquinelli Construction Co.	437
207.	Robson Communities	436
208.	J.E. Jones Construction Co.	435
209.	Fryling Construction	429
210.	Kathryn Thompson Development	428
211.	Hassinger Cos./Hoffman Homes	419
212.	Gentry Homes	418
213.	Luckey Co.	412
214.	Paragon Homes Inc.	411
215.	Homestead Land Development	408
216.	LeCesse Corp.	405
217.	Buie Corp.	404
218.	Milburn Investments Inc.	400
219.	Interstate General Co.	396
220.	West Venture Development Co.	390
221.	Holtzman & Silverman Construction	384
222.	Ivory Homes	381
223.	Newmark Home Corp.	380
223.	Westfield Homes	380
225.	International American Homes	378
225.	Taylor Woodrow Homes USA	378
227.	PacificUS Real Estate Corp.	374
228.	Sunland Communities	368
229.	Mangano Company Inc.	363
230.	Bresler & Reiner Inc.	362
230.	Bradley Construction	362
232.	Homes by Dave Brown	360
233.	Icon Development Corp.	359
234.	Klutts Homes	358
234.	Kennedy Group (Fla.)	358
236.	Century American	356
237.	Condiotti Enterprises	354
238.	Weingarten Siegel Group Inc.	(est.) 350
239.	Colony Homes	348
240.	John Laing Homes Inc.	341
241.	ITT Community Homes	331
241.	Woodview Development Co.	331
243.	Projects West Corp.	326
244.	Joseph Miller Construction	325
245.	Cooper Communities Inc.	320
245.	Zale Group	320
247.	Charles Rutenberg Hous. Group	319
248.	Housing Group	311
248.	Union Valley Corp.	(est.) 311
248.	Zaring National Corp.	311
251.	Inco Homes	308
252.	Mungo Co./Stonehedge Const.	305
252.	Whittaker Contruction	305
254.	Pennhill Co.	303
255.	Realen Homes	302
255.	Amurcon Corp. of Virginia	302
257.	C.P. Morgan Co. Inc.	301
258.	United Development Mgmt.	300
259.	Ryder Homes	297
259.	Michael Andrew Group	297
261.	Homestead Group Assoc.	294
262.	Pembroke Enterprises Inc.	292
263.	RGC (RecreActions Group)	291
264.	David Cutler Group	290
265.	Bovis Homes	286
266.	McKellar Communities	285
267.	Premier Homes	283
268.	RWR Development	282
269.	Citation Builders/So. Calif.	281
270.	Sun City Center Corp.	279
271.	Frank Robino & Assoc.	278
272.	JMC Homes	277
273.	Doyle Wilson HomeBuilder	275
274.	Drake Homes	274
275.	Key Co.	272
275.	Williamsburg Properties Inc.	272
275.	Estridge Cos.	272
278.	Henry Fischer Builder Inc.	267
279.	Zicka Homes	266
280.	Hal Porter Homes	264
281.	Stanley Martin Cos.	255
282.	Oberer Development Co.	252
283.	Milton Co.	250
283.	Stokes-Collins	250
285.	Fairfield Homes Inc.	248
285.	Don Galloway Homes	248
287.	Elam G. Stoltzfus Inc.	246
287.	RWS Development Corp.	246
289.	Taylor Morley Simon Inc.	244
290.	Chandler Group	243
290.	Communities Const. Corp.	243
292.	Sundance Homes	242
293.	Schneider Homes	240
294.	Pacesetter Homes Inc.	239
295.	Parker Lancaster Corp.	236
295.	Larwin Construction Co.	236
295.	Good Value Homes	236
298.	Hill Williams Dev. Corp.	233
299.	Wiseman-Hughes Enterprises	230
300.	Leader Enterprises Inc.	229
301.	Village Homes Ltd.	227
302.	Kopf Construction Corp.	226
303.	Goodman Homes Inc.	225
304.	DeMatteis Construction	223
305.	Michaels Group	221
306.	Miller and Smith Cos.	215
306.	Marrano/Marc Equity Co.	215
308.	McBride & Son Enterprises	214
309.	WesTrend Corp.	213
300.	Long Signature	(est.) 209
311.	Woodside Homes	207
312.	Graham Cos.	205
313.	BBC Group Inc.	201
313.	G.L. Homes of Florida	201
313.	Enterprise Development Co.	201
316.	Signature Properties	(est.) 200
317.	Hylton Group	199
318.	Cal Coast Dev. Group	(est.) 198
319.	Mayer Homes	197
319.	Kettler Brothers Inc.	197
321.	Legacy Homes	196
322.	MacLeod Development Co.	194
323.	Quaker Group Builders	193
324.	Ciotti Cos.	191
325.	Arker Cos.	190
326.	Randall Properties	188
327.	Grupe Co.	187
328.	L.A. Chanco Inc.	186
329.	Amir Development Co.	182
329.	Dobson Builders	182
331.	R.B. McComic Inc.	181
331.	Crisp-Lingerfelt Co.	181
333.	Kirk Corp.	180
334.	Manning Co.	177
335.	Stok Homes Inc.	173
336.	Burkart & Oehlerking	170
337.	Costain Homes Inc.	168
338.	Whitecliff Co.	165
339.	Waterloo Inc.	164
340.	Grant Cos.	157
341.	Van Metre Cos.	156
342.	Radnor Homes Inc.	155
343.	Home By Hemphill Inc.	154
344.	Stafford Homes Inc.	150
345.	Calprop Corp.	149
345.	Custom Living Homes	149
347.	DeLuca Enterprises Inc.	147
348.	Bennett & Compton Inc.	145
349.	Wellesley Construction	144
350.	Brehm Communities	142
350.	Brighton Homes	142
352.	Christopher Cos.	141
353.	Pacifica Corp.	140
354.	Frankei Enterprises	138
355.	Regency Homes Inc.	135
356.	Hearndon/Rosewell Cos.	134
357.	Bergheer Co.	131
358.	Broadmoor Homes	125
359.	Friedman Homes	124
360.	Kettler Forlines Inc.	123
361.	Community Construction Inc.	122
361.	JCC Development	122
363.	Foster Brothers Inc.	121
354.	Burnside Construction Co.	117
365.	Westway Construction Corp.	115
365.	Shawntana	115
365.	Techbilt Construction	115
368.	Grayson Homes Inc.	114
369.	California Community Builders	113
370.	Kennedy Group (Ill.)	109
370.	Selective Group Inc.	109
372.	Davidson Communities	108
373.	Red Seal Development Corp.	106
374.	Alden Co.	103
375.	Acacia Construction Inc.	101
376.	Braemar Homes	(est.) 100
376.	Fischer & Frichtel	(est.) 100
378.	Braddock & Logan Assoc.	99
379.	Gregory Group Inc.	95
380.	C-I/Mitchell & Best Co.	94
381.	William L. Berry Co.	93
382.	Reynolds Construction	88
383.	Stuard-Signature Homes	(est.) 87
384.	Joe Keim Builders Inc.	86
385.	Matzel & Mumford Organization	83
386.	Spielman-Cohen Builders	82
387.	Biltman Building Corp.	80
388.	Wooldbridge Organization	78
389.	Rocky Gorge Communities	68
390.	Michael T. Rose Assoc.	65
390.	Miceli Holding Co.	65
392.	Ginsburg Development	64
393.	Cayman Development	60
393.	Pinn Brothers Construction	60
395.	Garden State Land Co.	59
396.	Weston Development	50
397.	Trojan Properties Inc.	47
398.	Interamerican Builders Corp.	39
399.	Martin Selko Co.	13
400.	Owen Construction	12

ANNUAL REPORT OF HOUSING'S GIANTS®

Dallas Firms Hold Top 3 Spots; Centex Rises To #1

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
1	$2,288,597	**Centex Corp.** 3333 Lee Parkway Dallas, TX 75219	Key Exec: Laurence E. Hirsch. Sold 7874 SFD houses for $1.026 bil. and 340 attached houses for $20.5 mil. Non-res: $966.8 mil. Builds in 18 states. Subsidiaries: Centex Homes; Centex Construction Group Inc. Sells to first-timers (50%) and move-ups (50%).
2	$2,057,714	**Lincoln Property Co.** 500 N. Akard Dallas, TX 75201	Key Exec: Mack Pogue. Built 3333 apartments for own investment, valued at $260.1 mil. Non-res: $76.7 mil. Land sales: $1.1 mil. Rents/fees: $611.3 mil. Other income: $1.1 bil. Builds in Calif., Ariz., Va., Fla. and 6 other states.
3	$1,717,693	**Trammell Crow Residential** 2001 Ross Ave., #3500 Dallas, TX 75201	Key Exec: J. Ronald Terwilliger. Sold 392 SFD houses for $62 mil., 198 attached houses for $55 mil., 8861 apartments for $625 mil. Rents/fees: $779.6 mil. SFD averages 2800 sq. ft.; attached 2000 sq. ft. Builds in Northeast, Southeast, Southwest and West.
4	$1,366,264	**Kaufman and Broad** 10877 Wilshire Blvd. Los Angeles, CA 90024	Key Exec: Bruce Karatz. Sold 4349 SFD houses for $820.9 mil., 588 attached houses for $95.4 mil. Non-res: $362.3 mil. Land sales: $36.5 mil. Builds in Calif., Toronto, Canada and Paris, France. Sells to first-timers (61%) and move-ups (39%).
5	$1,300,000	**Ryland Group Inc.** 10221 Wincopin Circle Columbia, MD 21044	Key Exec: Roger W. Schipke. For total revenues of $1.3 billion, company sold 6531 SFD houses, 1580 attached houses, 612 modular units and 5256 panelized units. Builds in 15 states. Subsidiaries: Ryland Homes, Ryland Building Systems, M.J. Brock.
6	$1,184,845	**William Lyon Cos.** 4490 Von Karmon Newport Beach, CA 92658	Key Exec: William Lyon. Sold 3173 SFD houses for $783 mil., 1263 attached houses for $199.5 mil., 559 apartments for $61.5 mil. Land sales: $67.4 mil. Rents/fees: $6.7 mil. SFD averages 2240 sq. ft. Builds in Calif., N.M., Ariz., Ill. and Fla.
7	$1,079,350	**NVR L.P.** 7601 Lewinsville Rd., #300 McLean, VA 22102	Key Exec: Dwight C. Schar. This publicly held corporation (AMEX) sold 2009 single-family detached houses for $566 mil. and 1887 attached houses for $329.5 mil. Land sales: $12.9 mil. Subsidiaries: Ryan Homes; NV Homes.
8	$811,000	**Weyerhaeuser Real Estate Co.** Building WRE-2 Tacoma, WA 98477	Key Exec: C. Stephen Lewis. Sold 3676 SFD houses for $544 mil., 801 attached houses for $100 mil., 265 apartments for $10 mil. Land sales: $73 mil. Rental income: $40 mil. Other: $20 mil. Subsidiaries: Scarborough Corp. and Winchester Homes.
9	$769,970	**PHM Corp. (Pulte)** 33 Bloomfield Parkway, #200 Bloomfield Hills, MI 48013-2155	Key Exec: James Grosfeld. Publicly held corporation (NYSE) sold 4624 single-family detached houses and 1124 attached houses for total revenues of $769.9 mil. Builds in N.C., Texas, Ill., Minn., Fla., Va., Colo., Ga., Md., Mich., Calif. and Ariz.
10	$649,374	**U.S. Home Corp.** 1800 West Loop South Houston, TX 77252-2863	Key Exec: Robert J. Strudler. Co., which is operating under Chapter 11 protection, sold 3681 SFD houses for $512.2 mil. and 1188 attached houses for $119.1 mil. Land sales: $13.7 mil. Builds in Texas, Ariz., Calif., Fla., Nev., N.J., Va., Minn. and Colo.
11	$637,200	**Casden Company** 9090 Wilshire Blvd. Beverly Hills, CA 90211	Key Exec: Alan I. Casden. Sold 84 SFD houses for $28.8 mil., 744 attached houses for $110.4 mil., 594 apartments for $130 mil. Non-res: $35 mil. Land sales: $78 mil. Rents/fees: $255 mil. SFD averages 2500 sq. ft.; attached 1400 sq. ft. Builds in Calif. and Hawaii.
12	$566,000	**Fleetwood Enterprises** P.O. Box 7638 Riverside, CA 92523	Key Exec: Glenn F. Kummer. Publicly held corporation (FLE) sold 35,000 mobile homes [illegible] $566 mil. Operates 26 manufactured housing and 20 R.V. manufacturing plants in 16 states and Canada. Subsidiaries include Fleetwood Credit Corp.
13	$527,941	**Lewis Homes Group of Cos.** P.O. Box 670 Upland, CA 91785	Key Exec: Ralph M. Lewis. Sold 2311 SFD houses for $354.5 mil., 171 attached houses for $26.9 mil., 723 apartments for $53 mil. Non-res: $29.5 mil. Land sales: $24.9 mil. Rents/fees: $34.9 mil. Builds in Calif. and Nev. Sells 70% of units to move-ups.
14	$522,226	**Shapell Industries** 8383 Wilshire Blvd., #700 Beverly Hills, CA 90211	Key Exec: Nathan Shapell. Sold 760 single-family detached houses for $317.3 mil., 291 attached houses for $89.2 mil. Non-res: $5.8 mil. Land sales: $10.5 mil. Rents/fees: $50.9 mil. Other: $48.5 mil. Builds in Calif. Sells 75% of units to move-ups.
15	$405,536	**Lusk Co.** 17550 Gillette Ave. Irvine, CA 92713	Key Exec: John D. Lusk. Sold 504 SFD houses for $123.5 mil., 259 attached houses for $40.6 mil. Non-res: $35 mil. Land sales: $49.3 mil. Rents/fees: $76 mil. Other: $81 mil. SFD averages 2100 sq. ft. Builds in Calif. and Hawaii. Sells to first-timers and move-ups.
16	$394,106	**Anden Group** 15260 Ventura Blvd.,#1700 Sherman Oaks, CA 91403	Key Exec: Eugene S. Rosenfeld. Sold 1081 SFD houses for $221.6 mil., 760 attached houses for $134 mil. Non-res: $4.6 mil. Land sales: $34 mil. SFD averages 1800 sq. ft.; attached 1200 sq. ft. Builds in Calif., Ariz., Ill., Va., Fla., N.J. and Paris, France.
17	$381,278	**Standard Pacific L.P.** 1565 W. MacArthur Costa Mesa, CA 92626.	Key Exec: Ronald R. Foell. Sold 1063 single-family detached houses for [illegible].4 mil. Land sales: $64.9 mil. Single-family detached homes average 2500 sq. ft. Builds in [illegible] and Texas.
18	$377,644	**M.D.C. Holdings Inc.** 3600 S. Yosemite, # 900 Denver, CO 80237	Key Exec: Larry A. Mizel. Publicly held corporation (NYSE/PSE) sold 2031 SFD houses for $377.6 mil. SFD averages 2650 sq. ft. Builds in Va., Md., Calif., Ariz., Nev. and Colo. Richmond Homes is a subsidiary.
19	$375,406	**Lenner Corp.** 700 N.W. 107th Ave. Miami, FL 33172	Key Exec: Leonard Miller. Sold 1738 SFD houses for $177.3 mil., 1273 attached houses for $104.7 mil. Remodeling: $1.9 mil. Non-res: $1 mil. Land sales: $3.7 mil. Rents/fees: $17.9 mil. Other: $68.7 mil. SFD averages 1900 sq. ft.; attached 1300 sq. ft.
20	$369,728	**UDC-Universal Development** 4812 S. Mill Ave. Tempe, AZ 85282	Key Exec: Gary Rosenberg. Sold 1674 SFD houses for $270.6 mil., 478 attached houses for $76.4 mil. Land sales: $3.2 mil. Rents/fees: $2.8 mil. Other: $16.6 mil. SFD averages 2200 sq. ft. Builds in Ariz., Calif., N.C., S.C., Ga. and Fla.
21	$368,000	**Fieldstone Co.** 14 Corporate Plaza Newport Beach, CA 92660	Key Exec: Peter M. Ochs. Sold 1209 SFD houses for $324.4 mil., 145 attached houses for $33 mil. Other: $10.6 mil. SFD averages 2059 sq. ft.; attached 1625 sq. ft. Builds in Calif.
22	$345,576	**Watt Industries Inc.** 2716 Ocean Park Blvd. Santa Monica, CA 90406	Key Exec: Raymond A. Watt. Sold 1153 SFD houses and 105 attached houses for $291 mil. Land sales: $10.5 mil. Rents/fees: $44 mil. Builds in Calif., Ariz. and Nev. Subsidiaries: Watt Housing Corp.; Watt Residential Inc.; Watt Land Development Inc.
23	$330,620	**Home Capital Dev. Group** 707 Broadway, #1600 San Diego, CA 92185-0027	Key Exec: Larry Faigin. Sold 723 SFD houses for $189.2 mil. Land sales: $124.5 mil. Rents/fees: $16.9 mil. SFD ranges from 2200 to 2600 sq. ft. Builds in Calif. and Nev.
24	$329,318	**Redman Homes** 2550 Walnut Hill Lane Dallas, TX 75229	Key Exec: Robert Linton. Sold 15,982 mobile homes for $329.3 mil. Builds in Ind., Pa., N.C., Ga., Calif., Fla., Miss., Texas, Ariz. and Ore. Western Homes is a subsidiary.
25	$312,000	**Woodcrest Development Inc.** 17911 Mitchell Ave. Irvine, CA 92714	Key Exec: Ronald J. Gilles. Sold 978 SFD houses for $245 mil., 144 attached houses for $25 mil., 450 apartments for $42 mil. SFD averages 2100 sq. ft. Builds in Calif. Sells to first-timers (30%), move-ups (55%), empty-nesters (10%), and retirees (5%).

ANNUAL REPORT OF HOUSING'S GIANTS ®

ANNUAL REPORT OF HOUSING'S GIANTS®

Boston Capital Partners Builds 4480 Rental Units

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
26	$307,228	**Hovnanian Enterprises Inc.** 10 Highway 35 Red Bank, NJ 07701	Key Exec: Kevork S. Hovnanian. Sold 751 SFD houses for $114.6 mil., 1440 attached houses for $159 mil. Non-res: $9.5 mil. Other: $17.3 mil. Rental: $6.4 mil. Builds in N.J., N.Y., N.H., Fla. and N.C. Sells to first-timers (40%), move-ups (30%) and empty-nesters (25%).
27	$287,453	**Shea Homes** 655 Brea Canyon Road Walnut, CA 91789	Key Exec: Roy Humphreys. Sold 718 SFD houses for $178.6 mil., 282 attached houses for $45 mil., 243 apartments for $33 mil. Land sales: $30.7 mil. Builds in Calif. and Ariz. Sells to first-timers (2%), move-ups (80%), empty-nesters (15%) and retirees (3%).
28	$286,567	**Coscan Development Corp.** P.O. Box 428 Toronto, Canada M5X 1H9	Key Exec: L. Ross Cullingworth. Sold 550 SFD houses for $91.1 mil., 469 attached houses for $74.4 mil. Land sales: $44.3 mil. Rents/fees: $26.6 mil. Other: $15 mil. Builds in D.C.; Fla.; Ariz.; Calif.; Texas; Colo.; Ontario, Canada and Alberta, Canada.
29	$285,500	**Goldrich & [illegible] Industries** 5150 Overla[illegible] Culver City, [illegible]	Key Exec: Jona Goldrich. Sold 197 SFD houses for $75.8 mil., 152 attached houses for $25.8 mil., 618 apartments for $17 mil. Rents/fees: $166.8 mil. Subsidiaries: Goldrich & Kest Construction; Prestige Homes Inc.
30	$275,000	**Boston Ca[illegible]ers Inc.** 313 Congress [illegible] Boston, MA 02[illegible]231	Key Exec: John P. Manning. Sold [illegible]80 apartments for $275 mil. Apartments average 870 sq. ft. and rent for an average of $500 per month. Builds in 27 states. Three of the company's current projects are designed exclusively for seniors.
31	$274,623	**Schottenstein (M/I) Inc.** 1855 E. Dublin-Granville Columbus, OH 43229	Key Exec: Irving E. Schottenstein. Sold 2222 single-family detached houses for $266.2 mil. Land sales: $4.9 mil. Other: $2.8 mil. Builds in N.C., Ohio, Ind. and Fla.
32	$268,011	**Skyline Corp.** P.O. Box 743 Elkhart, IN 46515	Key Exec: Arthur J. Decio. Publicly held corporation (NYSE) sold 14,432 mobile homes for $268 million in total revenue.
33	$249,353	**Summit Properties** 212 S. Tryon St., #500 Charlotte, NC 28281	Key Exec: William F. Paulsen. Sold 2425 apartments for $152 mil. Land sales: $16.5 mil. Rents/fees: $42.7 mil. Apartments average 957 sq. ft. Builds in Fla., Ga., Pa. and Ohio.
34	$241,787	**Webb (Del) Communities** P.O. Box 29040 Phoenix, AZ 85038	Key Exec: Philip J. Dion. Sold 1383 SFD houses and 408 attached houses for $232.6 mil. Land sales: $4.7 mil. SFD averages 1500 sq. ft.; attached 1350 sq. ft. Builds in Ariz. and Nev. Subsidiaries include Sun City West. Sells 100% to retirees.
35	$230,368	**Champion Home Builders** 5573 E. North St. Dryden, MI 48428	Key Exec: Stephen E. Summers. This subsidiary of Champion Enterprises sold 10,684 mobile homes for $221.7 mil. Other: $8.6 mil. Produces manufactured homes at 12 plants and components at two plants located in 11 states throughout the U.S.
36	$229,000	**McMillin Communities** 2727 Hoover Ave. National City, CA 92050	Key Exec: Corky McMillin. Sold 417 SFD houses for $112.5 mil. and 550 apartments for $28.4 mil. Land sales: $8.4 mil. Rents/fees: $2 mil. Other: $77.6 mil. SFD averages 2300 sq. ft.; attached 1250 sq. ft. Builds in Calif. About 86% of SFD sold to move-ups.
37	$226,572	**Bramalea California Inc.** One Park Plaza, #100 Irvine, CA 92714	Key Exec: Peter B. Perrin. Sold 769 SFD houses for $182.6 mil., 126 attached houses for $[illegible]6 mil. Land sales: $14.9 mil. Other: $6.3 mil. SFD averages 2300 sq. ft.; attached 1400 sq. ft. Builds in Calif. Marlborough Development is a subsidiary.
38	$222,394	**Weekley Homes Inc.** 1300 Post Oak Blvd., #1000 Houston, TX 77056	Key Exec: 1990 Builder of the Year David M. Weekley. Sold 1469 SFD houses for $222.4 mil. SFD averages 2600 sq. ft. Builds exclusively in Texas. Custom Classics is a subsidiary. Sells to first-timers (10%), move-ups (7[illegible]) and empty-nesters (15%).
39	$220,000	**Peters (J.M.) Co.** 3501 Jamboree Rd., #200 Newport Beach, CA 92[illegible]58-7150	Key Exec: James M. Peters. [illegible] houses for $220 mil. SFD averages 3000 sq. ft. Builds exclusively in Calif. Sells to [illegible]) and move-ups (95%).
40	$218,300	**Elliott Homes Inc.** 11093 Sun Center Dr. Rancho Cordova, CA [illegible]670	Key Exec: Harry C. Elliott III. Sold 1214 SFD houses for $194 mil. Land sales: $13.5 mil. Rents/fees: $7.1 mil. Other: $3.7 mil. SFD averages 1600 sq. ft. Builds in Calif. and Ariz. Sells to first-timers (40%), move-ups (25%) and empty-nesters.
41	$215,368	**Pacific Scene Inc.** 3900 Harney St. San Diego, CA 92110	Key Exec: Tawfiq N. Khoury. Sold 512 SFD houses for $120.2 mil., 265 attached houses for $30.6 mil. Built 300 apartments valued at $34 mil. Land sales: $3.2 mil. Rents/fees: $27.3 mil. SFD averages 2600 sq. ft. Sells to first-timers (35%) and move-ups (65%).
42	$205,158	**Toll Brothers Inc.** 3103 Philmont Ave. Huntingdon Valley, PA 19006	Key Exec: Robert I. Toll. Sold 576 SFD houses for $177.2 mil., 151 attached houses for $21.1 mil. Other; $6.8 mil. Builds in Pa., N.J., Del., Md. and Mass. Last year created a subsidiary, Toll Advisors, to help financial institutions evaluate properties.
43	$200,[illegible]98	**Jim Walter Homes Inc.** 1500 N. Dale Mabry Hwy. Tampa, FL 33607	Key Exec: Robert W. Michael. Sold 5213 SFD houses for $199 mil. Remodeling: $1.9 mil. SFD averages 1225 sq. ft. Builds in 21 states. Subsidiaries: Walter Home Improvement Inc., a remodeling company.
44	$200,000	**Griffin Homes** 24005 Ventura Blvd. Calabasas, CA 91302	Key Exec: Paul E. Griffin Jr. Sold 758 SFD houses for $184.1 mil., 70 attached houses for $7.9 mil. Land sales: $8 mil. SFD averages 2230 sq. ft.; attached 1017 sq. ft. Builds exclusively in Calif. Sells 84% of product to move-ups.
45	$197,000	**Sunrise Co.** 42-600 Cook St., #200 Palm Desert, CA 92260	Key Exec: William Bone. Sold 111 SFD houses for $51 mil., 466 attached houses for $109 mil. Rents/fees: $3.7 mil. Other: $15.6 mil. SFD averages 3000 sq. ft.; attached 2000 sq. ft. Builds exclusively in Calif. Sells to empty-nesters (80%) and retirees (15%).
46	$194,130	**Calton Inc.** 500 Craig Rd. Freehold, [illegible]7728	Key Exec: Anthony J. Caldarone. Sold 823 SFD houses for $122.6 mil., 387 attached houses for $47.9 mil. Land sales: $22.7 mil. SFD averages 2200 sq. ft.; attached 1400 sq. ft. Builds in N.J., Fla., Pa. and Calif. Sells to first-timers (40%) and move-ups (50%).
47	$194,037	**General Homes Corp.** 7322 Southwest Freeway Houston, TX 77074	Key Exec: James W. Olafsen. Sold 2211 SFD houses for $194 mil. SFD averages 1814 sq. ft. Builds exclusively in Texas. Sells to first-timers (85%) and move-ups (15%). Operating under Chapter 11 reorganization plan.
48	$188,099	**Lexington Homes Inc.** 1756 W. Shure Dr. Arlington Heights, IL 60004	Key Exec: Ronald J. Benach. Sold 668 SFD houses for $129.6 mil., 443 attached houses for $58.5 mil. SFD averages 1900 sq. ft.; attached 1600 sq. ft. Builds in Ill. and Fla. Sells to first-timers (45%), move-ups (30%), empty-nesters (15%) and retirees (10%).
49	$187,628	**Arthur Rutenberg Homes Inc.** 13922 58th St. North Clearwater, FL 34620	Key Exec: Arthur Rutenberg. Sold 8[illegible]0 SFD houses for $177.1 mil., 54 attached houses for $8.8 mil. Land sales: $1.6 mil. SFD averages 2800 sq. ft.; attached 1900 sq. ft. Builds exclusively in Fla. Has 26 subsidiaries building residential product.
50	$186,064	**A-M Homes** 125 E. Victoria St. Santa Barbara, CA 93101	Key Exec: James B. Araujo. Sold 568 SFD houses for $144.9 mil., 92 attached houses for $27.6 mil. Other: $12.5 mil. SFD averages 2600 sq. ft.; attached 1700 sq. ft. Builds in Calif. and Ariz. Sells to first-timers (15%), move-ups (70%) and empty-nesters (10%).

ANNUAL REPORT OF HOUSING'S GIANTS®

Holtzman & Silverman Diversifies Into Remodeling

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
51	$177,959	**Harkins Builders Inc.** 12301 Old Columbia Pike Silver Spring, MD 20904	Key Exec: J.P. Blase Cooke. In calendar year 1990, this company built and sold 637 attached houses for $90 mil. Built 2082 apartments for $83.2 mil. Rents/fees: $4.7 mil.
52	$177,632	**Ahmanson Development Inc.** 1370 S. Valley Vista Dr., #100 Diamond Bar, CA 91765	Key Exec: Kim Boutelier. Sold 736 SFD houses for $164 mil., 36 attached houses for $5.7 mil. Land sales: $5.9 mil. Rents/fees: $1.9 mil. Builds in Calif., Ill., Fla. and Md. Sells to first-timers (25%), move-ups (60%) and empty-nesters (15%).
53	$176,164	**Colson [illegible] Construction** 2741 12th [illegible] Salem, OR 97302	Key Exec: William E. Colson. Built 1377 apartments for $94.2 mil. Rents/fees: $82 mil. Apartments average 900 square feet for $1060 per month. Builder leases entirely to retirees.
54	$171,177	**Hofmann Co.** P.O. Box 907 Concord, CA 94522	Key Exec: K.H. Hofmann. Sold 591 SFD houses for $121.3 mil. Non-res: $9.4 mil. Land sales: $19.1 mil. Rents/fees: $13.1 mil. Other: $8.2 mil. SFD averages 2008 sq. ft. Subsidiary: Compu-Tech Lumber. Sells to first-timers (25%) and move-ups (70%).
55	$164,500	**Warmington Homes** 3090 Pullman St., #A Costa Mesa, CA 92626	Key Exec: James P. Warmington. Sold 595 SFD houses for $148.8 mil., 90 attached houses for $15.8 mil. SFD averages 2500 sq. ft.; attached 1550 sq. ft. Builds solely in Calif. Sells to first-timers (10%), move-ups (55%), empty-nesters (30%) and retirees (5%).
56	$164,062	**Clayton Homes Inc.** P.O. Box 15169 Knoxville, TN 37901	Key Exec: Jim Clayton. In calendar year 1990, this company built and sold 9932 mobile homes for $164.1 mil. Builds in Tenn., N.C., S.C., W.Va., Ky., Va., Ala. and Mo.
57	$164,000	**Meeker Development Co.** 19100 Von Karman Ave., #500 Irvine, CA 92715	Key Exec: George R. Meeker Jr. Sold 623 SFD houses for $158 mil. Non-res: $6 mil. SFD averages 2602 sq. ft. Builds solely in Calif. Sells to first-timers (5%), move-ups (90%) and retirees (5%).
58	$163,728	**Schult Homes Corp.** P.O. Box 151 Middlebury, IN 46540	Key Exec: W.E. Wells. In calendar year 1990, this company built and sold 5725 mobile homes for $145.3 mil. in revenue and 526 modular units for $18.4 mil.
59	$160,600	**James Lewis Corp.** 1301 Lancaster Ave. Berwyn, PA 19312	Key Exec: Lewis J. Brandolini III. Sold 289 SFD houses for $77.2 mil., 235 attached houses for $40 mil. Remodeling: $100,000. Non-res: $20 mil. Land sales: $19 mil. Rents/fees: $4.3 mil. Builds in Pa., N.J. and Del.
60	$159,450	**Lokey Cos.** 1800 Bering Dr., #200 Houston, TX 77057	Key Exec: Kenneth R. Lokey. Sold 120 SFD houses for $15.5 mil. Built 1890 apartments for $143 mil. Rents/fees: $1 mil. SFD averages 2000 sq. ft. Builds in Ohio, Calif., Texas, Del. and Wash.
61	$159,340	**D.G. & Assoc.** 10769 Woodside Ave., #201 Santee, CA 92071	Key Exec: Art Thompson. Built 1524 single-family detached, condominiums and apartments throughout the West and Midwest for a sales volume of $159.3 mil.
62	$157,870	**Robertson Homes** 6653 Embarcadero Dr. Stockton, CA 95209	Key Exec: Barton R. Robertson. Sold 20 SFD houses for $4 mil. Built 1578 apartments for $103.9 mil. Rents/fees: $50 mil. SFD averages 2500 sq. ft. Builds in Md., Calif. Sells entirely to move-ups.
63	$157,784	**Forecast Group** 10670 Civic Center Dr. Rancho Cucamonga, CA 91730	Key Exec: James P. Previti. Sold 1193 SFD houses for $153.4 mil. Remodeling: $167,000. Land sales: $1.9 mil. Rents/fees: $2.2 mil. SFD averages 1324 sq. ft. Builds solely in Calif. Sells to first-timers (85%), move-ups (5%), empty-nesters (5%) and retirees (5%).
64	$156,300	**GlenFed Development Corp.** 16601 Ventura Blvd., #500 Encino, CA 91436	Key Exec: Charles Johnson. PB&R estimates that in 1990 this firm sold 353 SFD houses and 250 attached houses, and built 187 apartments, all for total volume of $156.3 mil.
65	$151,100	**Newhall Land & Farming Co.** 23823 Valencia Blvd. Valencia, CA 91355	Key Exec: Thomas L. Lee. Sold 276 SFD houses for $72 mil., 264 attached houses for $35.2 mil. Non-res: $14.2 mil. Land sales: $6.5 mil. Rents/fees: $19.3 mil. Builds solely in Calif. Sells to first-timers (55%), move-ups (30%), empty-nesters (15%).
66	$150,990	**Holtzman & Silverman Cos.** 30833 Northwestern Hwy., #300 Farmington Hills, MI 48018	Key Exec: Gilbert "Buzz" Silverman. Sold 74 SFD houses for $10.1 mil., 62 attached houses for $15.6 mil. Built 248 apartments for $14.4 mil. Remodeling: $24 mil. Land sales: $1 mil. Rents/fees: $85.9 mil. Builds solely in Mich.
67	$150,085	**Buie Corp.** 16935 West Bernardo Dr. San Diego, CA 92127	Key Exec: Robert F. Buie. Sold 354 SFD houses for $82.5 mil., 50 attached houses for $8.1 mil. Non-res: $32.5 mil. Land sales: $27 mil. SFD averages 2300 sq. ft.; attached 1150 sq. ft. Builds solely in Calif.
68	$150,000	**Picerne Properties** 75 Lambert Lind Highway Warwick, RI 02886	Key Exec: Ronald R.S. Picerne. Sold 40 SFD houses and built 1700 apartments for $150 mil. SFD averages 2000 sq. ft. Builds in Ore., Wash., Fla. and Nev. Sells to first-timers (15%), move-ups (60%), empty-nesters (20%) and retirees (5%).
68	$150,000	**Baldwin Co.** 16811 Hale Ave. Irvine, CA 92714	Key Exec: James Baldwin. Sold 325 SFD houses for $110 mil., and 179 attached houses for $25 mil. Non-res: $8 mil. Land sales: $7 mil. SFD averages 2450 sq. ft.; attached 1760 sq. ft. Builds solely in Calif.
70	$149,001	**Friendswood/Village Builders** P.O. Box 2567 Houston, TX 77001	Key Exec: Robert Bradley. Sold 981 single-family detached houses for $149 mil. These single-family homes average 3000 sq. ft. Co. builds solely in Texas.
71	$145,609	**Barratt American Inc.** 30 Fairbanks, #110 Irvine, CA 92718	Key Exec: Mark L. Frazier. Sold 463 single-family detached houses for $114.2 mil., 144 attached houses for $30.3 mil. Land sales: $1.1 mil. Builds in Calif. and Md.
72	$144,635	**Drees Co.** 211 Grandview Dr., #300 Covington, KY 41017	Key Exec: Ralph A. Drees. Sold 703 SFD houses for $101.7 mil., 188 attached houses for $20.8 mil. Built 256 apartments for $14 mil. Non-res: $1.1 mil. Rents/fees: $5.8 mil. Builds in Ohio, Ky., Texas, Ga. and Washington D.C.
73	$142,302	**Kimball Hill Inc.** 5999 New Wilke Rd. Rolling Meadows, IL 60008	Key Exec: David K. Hill Jr. Sold 490 SFD houses for $67.6 mil., 801 attached houses for $73.5 mil. Rents/fees: $1.2 mil. Builds in Ill. and Texas. Sells to first-timers (50%), move-ups (30%), empty-nesters (10%) and retirees (10%).
74	$140,000	**Continental Homes Holding** 7001 N. Scottsdale Rd., #2050 Scottsdale, AZ 85250	Key Exec: Donald Loback. Sold 1350 SFD houses for $140 mil. SFD averages 2000 sq. ft. Builds in Ariz., Colo. and Calif. Subsidiary: KDB Homes Inc.
75	$137,194	**Oakwood Homes Corp.** P.O. Box 7386 Greensboro, NC 27417	Key Exec: Nicholas J. St. George. Sold 5554 mobile homes for $107 mil. Rents/fees: $1.3 mil. Other: $29 mil. Product averages 972 sq. ft. Builds solely in N.C. Sells to first-timers (69%), move-ups (27%), other (4%).

ANNUAL REPORT OF HOUSING'S GIANTS®

Gentry, Regis, Di Loreto Cater To First-Time Market

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
76	$136,871	**Barnett-Range Corp.** P.O. Box 8189 Stockton, CA 95208	Key Exec: Hal W. Barnett. Sold 261 SFD houses for $71.1 mil. Built 358 apartments for $47.5 mil. Land sales: $13.3 mil. Rents/fees: $2 mil. Other: $3 mil. Builds solely in Calif. Sells to first-timers (5%), move-ups (75%), empty-nesters (15%) and retirees (5%).
77	$136,498	**Gentry Homes** P.O. Box 295 Honolulu, HI 96809	Key Exec: Joseph J. Ramia. Sold 46 SFD houses for $13.8 mil., 260 attached houses for $50.7 mil. Built 112 apartments for $17.4 mil. Land sales: $38.5 mil. Rents/fees: $11.8 mil. Other: $4.3 mil. Builds solely in Hawaii. Sells entirely to first timers.
78	$134,798	**Landstar Homes** 510 Elkwood Ct. Kissimmee, FL 34743	Key Exec: Rudolfo Stern. Sold 1010 SFD houses for $114 mil., 193 attached houses for $12.4 mil. Other: $8.4 mil. SFD averages 1500 sq. ft.; attached 1250 sq. ft. Builds solely in Fla.
79	$134,728	**Tompkins Heritage Homes** 9799 Old St. Augustine Rd. Jacksonville, FL 32257	Key Exec: Thomas N. Tompkins. Sold 1076 SFD houses for $106.7 mil. Built 324 apartments for $17.6 mil. Land sales: $3.5 mil. Rents/fees: $2.8 mil. Other: $4.2 mil. Builds solely in Fla. Sells to first-timers (40%), move-ups (30%) and retirees (20%).
80	$133,075	**Condiotti Enterprises** P.O. Box 6855 Santa Rosa, CA 95406	Key Exec: A. Condiotti. Sold 354 SFD houses for $72.5 mil. Remodeling: $3.9 mil. Non-res: $30 mil. Land sales: $16.7 mil. Rents/fees: $10.1 mil. SFD averages 1600 sq. ft. Builds solely in Calif.
81	$133,030	**Lycon Group** 15303 Ventura, #1000 Sherman Oaks, CA 91403	Key Exec: Dale & Robert Francescon. Sold 18 SFD houses for $32.8 mil. Built 536 apartments for $72.5 mil. Land sales: $1.4 mil. Rents/fees: $14.8 mil. Other: $11.4 mil. SFD averages 6500 sq. ft. Builds solely in Calif. Sells entirely to move-ups.
82	$131,419	**Coleman Homes Inc.** P.O. Box 9336 Bakersfield, CA 93389	Key Exec: Thomas Coleman. Sold 594 SFD houses for $94.2 mil. Built 114 apartments for $6.3 mil. Land sales: $900,000. Rents/fees: $30 mil. Builds in Calif. and Nev. Sells to first-timers (40%), move-ups (25%), empty-nesters (20%) and retirees (15%).
83	$130,840	**Prometheus Development Co.** 2600 Campus Dr., #200 San Mateo, CA 94403	Key Exec: Sanford Diller. Sold 87 SFD houses for $27.8 mil. Built 428 apartments for $33 mil. Non-res: $70 mil. SFD averages 1850 sq. ft. Apartments average 800 sq. ft. Builds solely in Calif. Subsidiary: Calprom Inc.
84	$130,000	**Dividend Development Corp.** 3600 Pruneridge Ave., #340 Santa Clara, CA 95051	Key Exec: Douglas Watson. Sold 525 SFD houses for $104 mil., 75 attached houses for $6 mil. Land sales: $10 mil. Rents/fees: $10 mil. Builds in Ariz., Calif.
85	$128,923	**Palm Harbor Homes Inc.** 15301 Dallas Pkwy., #800 Dallas, TX 75248	Key Exec: Lee Posey. Sold 5700 mobile homes for $128.9 mil. Builds in Texas, Fla., Ala., N.C., Ohio and Ariz. Sells to first-timers (15%), move-ups (10%), empty-nesters (15%) and retirees (60%).
86	$127,300	**Leisure Technology** 12233 West Olympic Blvd. Los Angeles, CA 90064	Key Exec: Michael L. Tenzer. PB&R estimates that in fiscal year 1990 (ending March 30, 1990) this firm built and sold 502 single-family detached houses for $127.3 mil.
87	$125,331	**Morris General Building Co.** P.O. Box 3632 Chatsworth, CA 91313	Key Exec: G.L. Morris. Sold 7 SFD houses for $15.2 mil., 1286 attached houses for $43.2 mil. Built 690 apartments for $43.1 mil. Remodeling: $8.4 mil. Non-res: $13.7 mil. Land sales: $900,000. Rents/fees: $900,000. Builds in Calif., Ga. and N.J.
88	$123,579	**Winncrest Homes** 9985 Folsom Blvd. Sacramento, CA 95827	Key Exec: Thomas P. Winn. Sold 768 SFD houses for $118.2 mil. Land sales: $4.1 mil. Builds solely in Calif. Subsidiaries: River City Sales, River City Mortgage and River City Escrow. Sells to first-timers (25%), move-ups (50%) and empty-nesters (25%).
89	$123,260	**Wimpey (George) Inc.** 3565 Seventh Ave. San Diego, CA 92103	Key Exec: David Heppell. Sold 736 SFD houses for $117.8 mil. Land sales: $300,000. Rents/fees: $700,000. Hi-rise units: $4.5 mil. mil. Builds in Calif., Ga., Texas and Fla. Sells to first-timers (40%), move-ups (55%) and retirees (5%).
90	$121,519	**Dunmore Homes** 2150 Professional Dr., #150 Roseville, CA 95661	Key Exec: Sidney B. Dunmore. Sold 587 SFD houses for $74.4 mil., 104 attached houses for $13 mil. and 650 pre-cut home packages for $5.2 mil. Non-res: $22.5 mil. Land sales: $2.8 mil. Rents/fees: $2.7 mil. Builds in Calif. and Nev.
91	$121,168	**Homestead Land Devopment** 979 Broadway Millbrae, CA 94030	Key Exec: Jerry A. Finch. Sold 408 SFD houses for $64.5 mil. Land sales: $37.2 mil. Rents/fees: $19.1 mil. SFD averages 1800 sq. ft. Builds solely in Calif. Sells to first-timers (17%), move-ups (56%), empty-nesters (16%) and retirees (11%).
92	$120,673	**Lexington Homes-SKK Dev.—** 7700 College Town Dr., #118 Sacramento, CA 95826-2397	Key Exec: Sotiris K. Kolokotronis. Sold 192 SFD houses for $43.2 mil. Built 434 apartments for $31.2 mil. Non-res: $12.6 mil. Land sales: $33.6 mil. Builds solely in Calif. Sells to first-timers (5%), move-ups (75%), empty-nesters (15%) and retirees (5%).
93	$120,342	**J.L. Mason Group Inc.** 5020 Tamiami Trail North Naples, FL 33940	Key Exec: Joseph L. Mason. Sold 846 SFD houses for $75.2 mil., 339 attached houses for $22.6 mil. Land sales: $6.8 mil. Rents/fees: $9.6 mil. Other: $6.1 mil. SFD averages 1850 sq. ft.; attached 1175 sq. ft. Builds in Mo. and Fla.
94	$117,533	**Artery Organization Inc.** 7200 Wisconsin Ave. Bethesda, MD 20814	Key Exec: Henry H. Goldberg. Sold 102 SFD houses for $26.3 mil., 423 attached houses for $57.7 mil. Built 473 apartments for $33.5 mil. Non-res: $143.3 mil. Rents/fees: $128.2 mil. Other: $22 mil. SFD averages 2400 sq. ft.; attached 1400 sq. ft.
95	$117,475	**Custom Living Homes** 375 Rt. 24 Chester, NJ 07930	Key Exec: Eugene J. Long. Sold 129 SFD houses for $82 mil., 20 attached houses for $3.6 mil. Land sales: $31.2 mil. Rents/fees: $700,000. Builds in N.J. and Calif. Sells to move-ups (90%) and empty-nesters (10%).
96	$116,833	**Regis Homes** 5120 Campus Dr. Newport Beach, CA 92660	Key Exec: Geoffrey L. Stack. Sold 155 attached houses for $22.8 mil. Built 1339 apartments for $91.1 mil. Rents/fees: $2.9 mil. Builds in Calif., Ariz. and Colo. Sells to first-timers (70%), move-ups (4%), empty-nesters (10%) and retirees (16%).
97	$113,500	**Beazer Properties Inc.** 945 East Paces Ferry Rd. Atlanta, GA 30326	Key Exec: R.D. Stephens. Sold 1074 SFD houses for $106 mil. Built 136 apartments for $7.5 mil. SFD averages 1500 sq. ft. Builds in Ga., Tenn., N.C. and S.C. Subsidiaries: Cohn Communities, Phillips Builders and Squires Homes.
98	$113,450	**Di Loreto Construction** P.O.Box 70280 Reno, NV 89570	Key Exec: Perry M. Di Loreto. Sold 664 SFD houses for $86.9 mil., 96 attached houses for $9.1 mil. Built 224 apartments for $12 mil. Non-res: $5 mil. Rents/fees: $500,000. Builds in Nev. and Calif. Sells to first-timers (45%) and move-ups (45%).
99	$113,158	**Sunland Communities** 5095 Murphy Canyon Rd. San Diego, CA 92123	Key Exec: Ure Kretowicz. Sold 368 SFD houses for $82.2 mil. Land sales: $27.8 mil. Rents/fees: $1.6 mil. Other: $1.5 mil. Builds in Calif. and Nev. Sells to first-timers (5%), move-ups (75%), empty-nesters (15%) and retirees (5%).
100	$112,467	**Commodore Corp.** P.O. Box 577 Goshen, IN 46526	Key Exec: Barry Shein. Sold 5234 mobile homes for $112.5 mil. Product averages 1150 sq. ft. Builds in Pa., Ind., Va. and Ala. Subsidiaries include Brookhood Homes, Goshen, Ind., and Colony Factory Crafted Homes, Shippenville, Pa.

ANNUAL REPORT OF HOUSING'S GIANTS®

Trafalgar House Revenues Increase 174% To $110 Million

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
101	$110,000	**Castle & Cooke Properties** 10900 Wilshire Blvd. Los Angeles, CA 90024	Key Exec: David Murdock. PB&R estimates that in calendar year 1990, this firm built and sold 1073 single-family detached houses for $110 mil.
101	$110,000	**Trafalgar House Property** 300 Phillips Blvd. Trenton, NJ 08618	Key Exec: W.J.B. Davies. Sold 150 SFD houses for $45 mil., 350 attached houses for $50 mil. Non-res: $10 mil. Land sales: $5 mil. SFD averages 3500 sq. ft.; attached 2000 sq. ft. Builds in Md., N.J. and Va. Sells to first-timers (30%) and move-ups (65%).
103	$108,607	**DiVosta & Co.** 10358 Riverside Dr. Palm Beach Garden, FL 33410	Key Exec: Otto B. DiVosta. Sold 248 SFD houses for $36.7 mil., 614 attached houses for $51.5 mil. Land sales: $655,000. Rents/fees: $1.9 mil. Other income: $17.9 mil. SFD averages 1800 sq. ft.; attached 1200 sq. ft. Builds solely in Florida.
104	$107,200	**GBW Properties** 520 S. Lafayette Park Pl. Los Angeles, CA 90057	Key Exec: Jay H. Wilton. Built 1555 apartments valued at $101 mil. Non-res: $5 mil. Rents/fees: $1.2 mil. Builds in California. Subsidiary: Tri-Con Builders. Rents to first-timers (20%), move-ups (25%), empty-nesters (45%) and retirees (10%).
105	$106,942	**Stanley Martin Cos.** 8000 Towers Crescent Dr. Vienna Spring, VA 22182	Key Exec. Martin K. Alloy. Sold 101 SFD houses for $38.7 mil., 154 attached houses for $30.2 mil. Non-res: $12.9 mil. Land sales: $5 mil. Rents/fees: $13.8 mil. Other: $6.3 mil. SFD averages 3300 sq. ft.; attached 1700 sq. ft. Builds only in Va.
106	$106,886	**Emerald Homes/Verit Industries** 333 North Belt, #1045 Houston, TX 77060	Key Exec: Philip J. Polich. Sold 699 single-family detached houses for $107 mil. Builds in Ariz., Calif., and Texas. Sells to first-timers (4%) and move-ups (96%)
107	$106,183	**Amrep Corp.** 10 Columbus Circle New York, NY 10019	Key Exec: Lawrence T. Perlmutter. Sold 461 SFD houses for $30.1 mil., 16 attached houses for $4.1 mil., 300 apartments for $32 mil. Land sales: $4.2 mil. Rents/fees: $35.8 mil. SFD averages 1500 sq. ft. Builds in N.M., N.J., and Fla.
108	$102,250	**A.G. Spanos Construction** 1341 West Robinhood Dr. Stockton, CA 95207	Key Exec: Alex G. Spanos. Built 1488 apts. for investors and 180 apts. for own investment for a total value of $102.2 mil. Land sales: $50.8 mil. Rents/fees: $87.6 mil. Other income: $67 mil. Apts. average 907 sq. ft. Builds in Calif., Nev., Ga. and Fla.
109	$102,000	**Taylor Woodrow Homes USA** 3991 McArthur Blvd. Newport Beach, CA 92660	Key Exec: Gordon Tippell. Sold 272 SFD houses and 106 attached houses for a total of $102 mil. SFD averages 2200 sq. ft.; attached 1500 sq. ft. Builds in Calif., Nev. and Fla. Sells to first-timers (15%) move-ups (50%), empty-nesters (15%) and retirees (20%).
110	$101,661	**Diversified Homes** 10015 Old Columbia Rd. Columbia, MD 21046	Key Exec: Kenneth W. Carlson. Sold 394 SFD houses for $67.7 mil., 166 attached houses for $20.4 mil., 550 panelized units for $7.8 mil. Land sales: $4.2 mil. Other income: $1.5 mil. SFD averages 2[illegible]0 sq. ft.; attached 1600 sq. ft. Builds in Md., Wash., Va. and Fla.
111	$101,331	**FPA Corp./Orleans Construction** 2507 Philmont Ave. Huntingdon Valley, PA 19006	Key Exec: Jeffrey P. Orleans. Sold 133 SFD houses for $23 mil., 357 attached houses for $42.2 mil., 19 mobile homes for $984,000. High-rise: $684,000. Land sales: $20.7 mil. Other: $13.8 mil. SFD averages 2300 sq. ft. Builds in Pa., N.J. and Fla.
112	$101,181	**Town & Country Homes** 1603 W. 16th St. Oak Brook, IL 60521	Key Exec: William G. Ryan. Sold 370 SFD houses for $65.1 mil., 202 attached houses for $33 mil. Rents/fees: $450,000. Other: $2.7 mil. SFD averages 2000 sq. ft. Builds only in Ill. Sells to first-timers (25%), move-ups (55%) and empty-nesters (20%).
113	$100,600	**American West Development** 2700 E. Sunset Rd., #5 Las Vegas, NV 89120	Key Exec: Lawrence D. Canarelli. Sold 675 SFD houses for $100.6 mil. SFD averages 2700 sq. ft. Builds only in Nev. Sells to first-timers (15%), move-ups (63%), empty-nesters (15%), and retirees (7%).
114	$100,127	**Cambridge Homes Inc.** 800 S. Milwaukee Ave., #250 Libertyville, IL 60048	Key Exec: Richard J. Brown. Sold 263 SFD houses for $48.3 mil., 281 attached houses for $37.1 mil. Land sales: $6.2 mil. Rents/fees: $5.2 mil. Other: $3.3 mil. Builds only in Ill. Sells to first-timers (40%), move-ups (48%), and empty-nesters (10%).
115	$99,655	**Newport Pacific Development** 4400 McArthur Blvd., 9th fl. Newport Beach, CA 92660	Key Exec: Magdy Hanna. Sold 23 SFD houses for $5.2 mil., 451 attached houses for $66.2 mil., 308 apartments for $29.3 mil. SFD averages 1350 sq. ft.; attached 1050 sq. ft. Builds only in Calif. Sells only to first-timers.
116	$98,600	**Horton Homes Inc.** P.O. Box 581 Eatonton, GA 31024	Key Exec: N.D. Horton Jr. In calendar year 1990, this company built and sold 5900 mobile homes for sales of $92 mil. in volume, and 300 modular homes for $6.8 mil. Builds in Ga., Fla., S.C., N.C., Tenn., Ala., Va. and W. Va.
117	$97,900	**West Venture Development Co.** 6345 Balboa Blvd., #225 Encino, CA 91316	Key Exec: James I. Sorenson. Sold 390 SFD houses for $58.1 mil. Non-res: $29 mil. Land sales: $6.9 mil. Other: $3.9 mil. SFD averages 1450 sq. ft. Builds only in Calif. Sells to first-timers (75%) and move-ups (25%).
118	$94,000	**Primark Corp.** 1200 S. 192nd St., #300 Seattle, WA 98148	Key Exec: Hong S. Tan. In calendar year 1990, this firm built 1197 apartments for own investment valued at $94 mil. Apartments average 975 sq. ft. Company builds only in Washington state.
119	$93,671	**Washington Homes Inc.** 1802 Bright Seat Rd. Landover, MD 20785	Key Exec: Geaton A. DeCesaris Jr. Sold 409 SFD houses for $67.4 mil., 256 attached houses for $26 mil. Land sales: $316,500. SFD averages 1400 sq. ft.; attached 1200 sq. ft. Builds in Va., Pa. and Md.
120	$93,394	**Oriole Homes Corp.** 1151 N.W. 24th St. Pompano Beach, FL 33064	Key Exec: Richard D. Levy. Sold 166 SFD houses for $27.8 mil., 601 attached houses for $57.7 mil. Land sales: $1.2 mil. Other: $6.7 mil. Builds only in Fl. Sells to first-timers (10%), move-ups (10%), empty-nesters (15%) and retirees (65%).
121	$92,225	**McBail Co.** 3200 Danville Blvd., #200 Alamo, CA 94507-1914	Key Exec: Wesley Bailey & E. J. McGah. Sold 412 SFD houses for $71.3 mil., 118 attached houses for $15.8 mil. Land sales: $2.9 mil. Rents/fees: $1.5 mil. SFD averages 1875 sq. ft.; attached 1430 sq. ft. Builds in Calif. and Nev. Subsidiary: Bailey & McGah.
122	$91,000	**Van Daele Development** 2900 Adams St., #C25 Riverside, CA 925[illegible]	Key Exec: Michael Van Daele. In calendar year 1990, this company built and sold 600 single-family detached houses for $84 mil. and 103 apartments for $7 mil.
123	$90,000	**Western National Properties** 630 The City Dr., #200 Orange, CA 92668	Key Exec: Michael K. Hayde. Built 886 apartments for investors valued at $90 mil. Apartments average 850 square feet in size. Builds only in Calif.
124	$88,671	**Golden West Homes** 1308 Wakeham Santa Ana, CA 92705	Key Exec: Harry Karsten Jr. Built 2807 mobile homes for a sales volume of $88.7 mil. Units average 1500 sq. ft. Builds in Calif., Wash., Ore. and Nev. Sells to first-timers (15%), move-ups (15%), empty-nesters (20%) and retirees (50%).
125	$87,830	**Robson Communities** 25612 E.J. Robson Blvd. Sun Lakes, AZ 85248	Key Exec: E.J. Robson. Sold 436 SFD houses for $55.2 mil. Rents/fees: $3 mil. Other income: $29.7 mil. SFD averages 1652 sq. ft. Builds only in Ariz. Subsidiaries: Sun Lakes Marketing, SaddleBrooke Dev. and SBG Development.

ANNUAL REPORT OF HOUSING'S GIANTS®

Apartment Builder Flournoy Doubles Revenues From 1989

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
126	$87,228	**Century Homes Communities** 1535 South D St., #200 San Bernardino, CA 92408	Key Exec: John Pavelak. Sold 633 SFD houses for $85.7 mil., 6 apartments for $277,000. Non-res: $1.2 mil. SFD averages 1350 sq. ft.; apartments average 600 sq. ft. Builds only in Calif. Formed Lifestyle Homes, a manufactured housing subsidiary, in 1990.
127	$86,640	**Levitt Corp.** 7777 Glades Rd., #410 Boca Raton, FL 33434	Key Exec: Elliott M. Wiener. Sold 442 SFD houses for $79.3 mil., 66 attached houses for $7.3 mil. SFD averages 1800 sq. ft.; attached 1350 sq. ft. Builds in Fla., N.Y., N.J., Va. and Puerto Rico. Sells to first-timers (50%), move-ups (40%) and retirees (10%).
128	$86,500	**Van Metre Cos.** 5252 Lyngate Ct. Burke, VA 22015	Key Exec: Albert G. Van Metre. Sold 97 SFD houses for $38 mil., 59 attached houses for $11.5 mil. Land sales: $9 mil. Rents/fees: $23 mil. Builds only in Va. Sells to first-timers (30%), move-ups (60%), empty-nesters (5%) and retirees (5%).
129	$85,950	**Dominion Developments Inc.** 5911 Orchard St. W Tacoma, WA 98467	Key Exec: J. David Page. Sold 1400 apartments for $74 mil., also built 216 apartments for its own investment, valued at $8 mil. Non-res: $2.4 mil. Land sales: $1.5 mil. Apartments average 940 sq. ft. Builds in Wash., Ore. and Nev.
130	$85,672	**Wausau Homes Inc.** P.O. Box 8005 Wausau, WI 54402-8005	Key Exec: Marvin C. Schuette. Sold 680 modular units for $19 mil., 2400 panelized units for $63 mil. Non-res: $3.7 mil. Builds in Wis., Ill., Minn., Iowa, Ind., Ohio, Mich., Fla., Ga. and N.C. Formed a new subsidiary, Advance Building Systems, in 1990.
131	$85,165	**Signature Homes (Nevada)** 801 South Rancho Dr., #E-4 Las Vegas, NV 89106	Key Exec: Richard H. Plaster. Sold 645 SFD houses for $84.6 mil. Land sales: $69,000. Rents/fees: $416,000. SFD averages 1730 sq. ft. Builds only in Nev. Sells to first-timers (18%), move-ups (39%), empty-nesters (12%), retirees (17%) and investors (14%).
132	$85,000	**Weingarten Siegel Group Inc.** 198 Rt. Nine Manalapan, NJ 07726	Key Exec: Ned L. Siegel. PB&R estimates firm sold 350 houses for total revenues of $85 mil.
132	$85,000	**Edward Rose Building Ent.** P.O. Box 937 Southfield, MI 48037	Key Exec: Sheldon Rose. Sold 68 SFD houses for $7 mil. Built 2600 apartments for its own investment, valued at $78 mil. Rents/fees: $150 mil. SFD averages 1700 sq. ft.; apartments average 830 sq. ft. Builds in Mich., Ind., Ill., Ohio, Wis., N.C., S.C. and Va.
134	$84,950	**JCC Development** 3480 Torrance Blvd., #300 Torrance, CA 90503	Key Exec: Jack C. Cameron. Sold 97 SFD and 25 attached houses for $83.4 mil. Remodeling: $1.5 mil. SFD averages 8000 sq. ft.; attached 1900 sq. ft. Builds in Calif. and Hawaii. Sells to first-timers (15%), move-ups (70%), empty-nesters (10%) and retirees (5%).
135	$84,600	**Zale Group** 100 Lexington Dr. Buffalo Grove, IL 60089	Key Exec: Gregg Zale. Sold 261 SFD houses for $56 mil., 59 attached houses for $13 mil. Non-res: $14.6 mil. SFD averages 1800 sq. ft.; attached 2000 sq. ft. Builds in Ill. and Wis.
136	$83,161	**Flournoy Construction** P.O. Box 6566 Columbus, GA 31995-6566	Key Exec: J. Randolph Osborne. Built 1093 apartments valued at $68.7 mil. Non-res: $2 mil. Land sales: $75,000. Rents/fees: $12.4 mil. Apartments average 1168 sq. ft. Builds in Ga., Fla., Ala., Tenn., S.C., Ohio and Utah.
137	$83,066	**Holiday Organization Inc.** 400 Post Ave. Westbury, NY 11590	Key Exec: Gerald Monter. Sold 10 SFD houses for $3.9 mil., 107 attached houses for $30 mil. Built 351 apartments valued at $25 mil. Non-res: $4 mil. Rents/fees: $20 mil. SFD averages 2200 sq. ft.; attached 2500 sq. ft. Builds in N.Y. and Fla.
138	$82,929	**Embrey Investments Inc.** 750 E. Mulberry St., #500 San Antonio, TX 78212	Key Exec: Walter M. Embrey. Built 1036 apartments valued at $67.3 mil. Rents/fees: $15.6 mil. Apartments average 850 sq. ft. Builds in Texas, Fla., Ind. and Md. Subsidiaries: Trinity Asset Management; Embrey Investments; Lexford Properties.
139	$81,460	**Ryder Homes** P.O. Box 4008 Walnut Creek, CA 94596	Key Exec: Ned K. Ryder. Sold 297 SFD houses for $57.5 mil. Land sales: $11.4 mil. Rents/fees: $7.8 mil. Other: $4.7 mil. SFD averages 1900 sq. ft. Builds only in Calif. Sells to first-timers (10%), move-ups (60%), empty-nesters (10%) and retirees (20%).
140	$80,740	**J.E. Jones Const. Co.** 13100 Manchester Rd. St. Louis, MO 63131	Key Exec: Robert E. Jones. Sold 395 SFD houses for $63 mil., 40 attached houses for $3.4 mil. Remodeling: $288,513. Land sales: $781,350. Rents/fees: $5.3 mil. Other: $7.8 mil. SFD averages 2350 sq. ft.; attached 1200 sq. ft. Builds in Mo. and Fla.
141	$80,600	**Long Signature Homes** 13601 Office Pl., #201 Woodbridge, VA 22192-4213	Key Exec: S. Leon McGlothlin. PB&R estimates firm sold 159 SFD houses for $71.4 mil., 50 attached houses for $9.2 mil.
142	$80,591	**Borror Corp.** 5501 Frantz Rd. Dublin, OH 43017-0766	Key Exec: Douglas G. Borror. Sold 524 SFD houses for $58.2 mil., 20 attached houses for $2.6 mil. Land sales: $2 mil. Rents/fees: $6.1 mil. Other: $11 mil. SFD averages 1850 sq. ft. Builds only in Ohio. Sells to first-timers (75%) and move-ups (25%).
143	$80,500	**Hassinger Cos./Hoffman Homes** 300 Park Blvd., #515 Itasca, IL 60143	Key Exec: Norman M. Hassinger Jr. Sold 366 SFD houses for $59 mil., 53 attached houses for $20 mil. Land sales: $1.5 mil. SFD averages 2400 sq. ft.; attached 1600 sq. ft. Sells to first-timers (20%), move-ups (60%), empty-nesters (15%) and retirees (5%).
144	$80,000	**John Wieland Homes** P.O. Box 87363 Atlanta, GA 30337	Key Exec: John F. Wieland. Sold 482 SFD houses for $80 mil. SFD averages 2500 sq. ft. Builds in Ga. and S.C. Sells to first-timers (1%), move-ups (89%), empty-nesters (5%) and retirees (5%).
145	$79,842	**Kathryn Thompson Dev.** 85 Argonaut Aliso Viejo, CA 92656	Key Exec: Kathryn G. Thompson. Sold 75 SFD houses for $24.3 mil., 353 attached houses for $55.5 mil. SFD averages 2065 sq. ft.; attached 1040 sq. ft. Builds only in Calif. Sells to first-timers (60%), move-ups (30%) and empty-nesters (10%).
146	$79,390	**Tried Development Inc.** 320 Andover Park E. #235 Seattle, WA 98138	Key Exec: John Comick. Sold 985 apartments for investors for $66.2 mil. Built 236 apartments for own investment valued at $11.1 mil. Non-res: $2 mil. Apartment condominiums average 1000 sq. ft.; rentals average 850 sq. ft. Builds only in Washington.
147	$78,940	**Grupe Co.** P.O. Box 7576 Stockton, CA 95207	Key Exec: Greenlaw Grupe Jr. Sold 153 SFD houses for $48.2 mil., 34 attached houses for $30.8 mil. Land sales: $21.2 mil. Rents/fees: $81.2 mil. Other: $22.3 mil. SFD averages 1993 sq. ft.; attached 1602 sq. ft. Builds in Calif., Colo. and Okla.
148	$78,856	**David Cutler Group** 1 Valley Square, 512 Twp. Line Blue Bell, PA 19422	Key Exec: David Cutler. Sold 196 SFD houses for $57.8 mil., 68 attached houses for $11.2 mil. Built 26 apartments valued at $4.3 mil. Land sales: $4.3 mil. Rents/fees: $936,873. SFD averages 3000 sq. ft.; attached 2200 sq. ft. Builds only in Pa.
149	$78,384	**Frankel Enterprises** 1845 Walnut St. Philadelphia, PA 19103	Key Exec: Benjamin Frankel. Sold 47 SFD houses for $23 mil., 91 attached houses for $30.4 mil. Land sales: $4 mil. Rents/fees: $16.2 mil. Other: $4.8 mil. Builds only in Fla. SFD averages 2800 sq. ft. Sells 70% of product to second home buyers.
150	$77,594	**Paragon Homes Inc.** 1448 15th St. Santa Monica, CA 90404	Key Exec: Irwin E. Garfield. Sold 298 SFD houses for $48.6 mil., 113 attached houses for $16.7 mil. Land sales: $11.4 mil. Rents/fees: $877,173. SFD averages 1533 sq. ft.; attached (condos) average 1191 sq. ft. Builds only in Calif.

ANNUAL REPORT OF HOUSING'S GIANTS®

Holly Corp. Moves Up Ranking With 68% Revenue Rise

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
151	$77,550	**RWR Development** 16461 Sherman Way, #325 Van Nuys, CA 91406	Key Exec: William Rheinschild. Sold 282 SFD houses for $68 mil. Non-res: $4.8 mil. Land sales: $2.8 mil. Other: $1.8 mil. SFD averages 3500 sq. ft. Builds in Idaho and Calif. Sells to move-ups (35%) and empty-nesters (65%).
152	$77,144	**Hunt Building Corp.** P. O.Box 9368 El Paso, TX 79984	Key Exec: M.L. Hunt. Sold 378 SFD houses for $19.5 mil., 404 attached houses for $41.2 mil. Rents/fees: $12.8 mil. Other: $3.5 mil. SFD averages 1600 sq. ft.; attached 1400 sq. ft. Builds in Ariz., Calif., S.D. and Texas. Sells to move-ups (100%).
153	$76,301	**Holly Corp.** 101 E. 26th St., 301 Tacoma, WA 98421	Key Exec: Daniel M. Kelley. Sold 12 SFD houses for $1 mil., 955 apartments for $68.4 mil. Land sales: $4.1 mil. Rents/fees: $2.7 mil. SFD averages 1,500 sq. ft.; apartments 850 sq. ft. Builds in Wash. Sells to first-timers (67%) and move-ups (33%).
154	$76,000	**Forest City Enterprises** 10800 Brookpark Rd. Cleveland, OH 44130	Key Exec: Albert B. Ratner. Sold 950 apartments for $76 mil.; 650 high-rise residential units for $81 mil. Non-res: $300 mil. Rental apartment averages 990 sq. ft. Builds in Calif., Ohio, Md. and Va.
155	$75,970	**Schuler & Assoc.** 1001 Bishop St., #1060 Honolulu, HI 96813	Key Exec: James K. Schuler. Sold 265 SFD houses for $41 mil., 232 attached houses for $29 mil., 68 apartments for $5 mil. Land sales: $70,000. Rents/fees: $900,000. SFD averages 1500 sq. ft.; attached 800 sq. ft. Builds in Hawaii. Sells to first-timers (60%).
156	$74,714	**Pasquinelli Construction Co.** P.O. Box 1639 Homewood, IL 60430	Key Exec: Bruno A. Pasquinelli. Sold 144 SFD houses for $23.2 mil., 293 attached houses for $28 mil. Remodeling: $126,000. Non-res: $6.1 mil. Land sales: $16.8 mil. SFD averages 2120 sq. ft.; attached 1466 sq. ft. Builds in Ill., N.C. and Ind.
157	$74,536	**Owings & Terry Homebuilding** P. O.Box 7679 Marietta, GA 30065	Key Exec: S. Kent Owings. Sold 702 SFD houses for $68.8 mil. Non-res: $2.7 mil. Land sales: $965,000. Rents/fees: $2.1 mil. SFD averages 1800 sq. ft. Builds in Ga., S.C., N.C. and Fla. Sells to first-timers (50%), move-ups (30%) and retirees (12%).
158	$74,223	**Engle Group Inc.** 123 NW 13th St., #300 Boca Raton, FL 33432	Key Exec: Alec Engelstein. Sold 356 SFD houses for $48.3 mil., 148 attached houses for $14.2 mil. Land sales: $11 mil. Rents/fees: $774,866. SFD averages 1900 sq. ft.; attached 1400 sq. ft. Builds in Fla.
159	$73,697	**International American Homes** 100 Walnut Ave. Clark, NJ. 07066	Key Exec: Robe[illegible] H. Winnerman. Sold 263 SFD houses for $41.1 mil., 115 attached houses for $17 mil. Land sales: $12.2 mil. Rents/fees: $3.3 mil. SFD averages 1900 sq. ft.; attached 1450 sq. ft. Builds in Md., Va. and Fla. Sells to first-timers (60%).
160	$73,463	**C-I/Mitchell & Best Co.** 1686 E. Gude Dr. Rockville, MD 20850	Key Exec: Robert L. Mitchell. Sold 69 SFD houses for $43.5 mil., 25 attached houses for $13 mil. Remodeling: $1.6 mil. Non-res: $2.1 mil. Other: $9.6 mil. Rents/fees: $3.6 mil. SFD averages 3800 sq. ft.; attached 3000 sq. ft. Builds in Md.
161	$73,150	**Homestead Group Assoc.** 10345 West Olympic Blvd., #118 Century City, CA 90064	Key Exec: Haskel Iny. Sold 130 single-family detached houses for $40 mil. and 164 apartments for $14 mil. Non-res: $19 mil. Rents/fees: $150,000. Builds in Calif.
162	$72,910	**Bresler & Reiner Inc.** 401 M St. S.W. Washington, DC 20024	Key Exec: Charles S. Bresler. Sold 154 SFD houses for $24.8 mil., 48 attached houses for $10.8 mil., 160 apartments for $8 mil. Non-res: $16 mil. Land sales: $465,000. Rents/fees: $12.8 mil. SFD averages 2000 sq. ft. Builds in Md., Va. and Pa.
163	$72,874	**Paragon Group Inc.** 7557 Rambler Rd., #1200 Dallas, TX 75231	Key Exec: W.R. Cooper. Sold 104 SFD houses for $18.3 mil., 1052 apartments for $54.5 mil. Non-res: $186.9 mil. Land sales: $1.4 mil. Rents/fees: $421.3 mil. Other: $40.3 mil. SFD averages 2025 sq. ft. Builds in Calif., Fla. and others.
164	$72,650	**JMC Homes** 1830 Vernon St., #8 Roseville, CA 95678	Key Exec: John Mourier III. Sold 277 SFD houses for $51.2 mil. Non-res: $7.4 mil. Land sales: $14 mil. SFD averages 2000 sq. ft. Builds in Calif. Sells to first-timers (30%), move-ups (50%), empty-nesters (10%) and retirees (10%).
165	$71,829	**Realen Homes** 1235 Westlake Dr., #350 Berwyn, PA 19312	Key Exec: W. Joseph Duckworth. Sold 223 SFD houses for $54.9 mil. [illegible] attached houses for $9.9 mil. Land sales: $1.7 mil. Rents/fees: $5.2 mil. SFD averages 2550 sq. ft.; attached 1550 sq. ft. Builds in Pa. Sells to first-timers (20%) and move-ups (65%).
166	$71,580	**Premier Homes** 2010 Main St., #220 Irvine, CA 92714	Key Exec: Pierre Le Pendeven. Sold 283 SFD houses for $57.4 mil. Non-res: $13.6 mil. Other: $570,000. SFD averages 2280 sq. ft. Builds in Calif. Sells to first-timers (17%), move-ups (55%), empty-nesters (20%) and retirees (8%).
167	$70,922	**United Development Mgmt.** 1400 S. Wolf Rd. Wheeling, IL 60090	Key Exec: Sheldon Lazar. Sold 300 SFD houses for $54 mil. Land sales: $4.1 mil. Rents/fees: $12.8 mil. SFD averages 2200 sq. ft.; attached 2000 sq. ft. Builds in Ill., Ariz. and Mich. Sells to first-timers (20%), move-ups (50%), empty-nesters (20%) and retirees (10%).
168	$70,700	**Richmarr Construction Corp.** 5301 Wisconsin Ave. NW, #500 Washington, D.C. 20015	Key Exec: Richard A. Kirstein. Sold 195 SFD houses for $45.5 mil., 54 attached houses for $3.5 mil., 387 apartments for $20.8 mil. Rents/fees: $900,000. Subsidiaries include Richmarr Excavating.
169	$70,000	**Foreston Development Corp.** 5 Dakota Dr. Lake Success, NY 11042	Key Exec: Jack C. Heller. PB&R estimates that in calendar year 1990 this firm built and sold 550 single-family detached houses for $70 mil.
169	$70,000	**Signature Properties** 6685 Owens Dr. Pleasanton, CA 94566	Key Exec: James C. Ghielmetti. PB&R estimates that in calendar year 1990 this firm built and sold 200 single-family detached houses for $70 mil.
171	$69,851	**Highland Homes** 12880 Hillcrest, #202 Dallas, TX 75230	Key Exec: Rodger Sanders. Sold 640 SFD houses for $69.8 mil. SFD averages 1850 sq. ft. Builds in Texas and Ga. Sells to first-timers (55%), move-ups (35%) and empty-nesters (10%).
172	$69,700	**Charter Group Inc.** P.O. Box 241089 Omaha, NE 68124	Key Exec: Gene Wilczewski. In calendar year 1990, this company built and sold 1700 apartments for a total volume of $69.7 million in revenue.
173	$69,412	**Bozzuto & Assoc.** 6401 Golden Triangle Dr., #200 Greenbelt, MD 20770	Key Exec: Thomas S. Bozzuto. Sold 136 attached houses for $12 mil., 760 apartments for $55 mil. Rents/fees: $312,000. Other: $2.1 mil. Apartments average 850 sq. ft. Builds in Md.
174	$69,340	**R.B. McComic Inc.** 4920 Carroll Canyon Rd. San Diego, CA 92121	Key Exec: Barry McComic. In calendar 1990, this company built and sold 181 single-family detached houses for $69.3 mil. These homes average 2300 sq. ft. Company builds in Calif.
175	$68,894	**Cavalier Homes Inc.** 600 M Bank Bldg. Wichita Falls, TX 76307	Key Exec: Barry Donnell. In calendar 1990, this company built and sold 4331 mobile homes for revenues of $67.8 mil., and 37 modular units for $1.1 mil.

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Mercedes' Single-Family Home Sales Rise 54%

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
176	$68,480	**Covington Development Group** 2451 E. Orangethorpe Fullerton, CA 92631	Key Exec: Loran D. Covington. Sold 192 SFD houses for $41.7 mil., 52 attached houses for $8.8 mil., 212 apartments for $17.5 mil. Land sales: $442,000. Builds in Calif., Nev. and Ore. Sells to first-timers (50%), move-ups (35%) and empty-nesters (15%).
177	$68,216	**Lowder Construction Co.** 2000 Interstate Park Dr. Montgomery, AL 36142-0001	Key Exec: James K. Lowder. Sold 115 SFD houses for $11.3 mil., 646 apartments for $27.5 mil. Remodeling: $2.6 mil. Non-res: $14.4 mil. Land sales: $2.2 mil. Rents/fees: $10.2 mil. SFD averages 1750 sq. ft.; apartments 790 sq. ft. Builds in Ala. and Fla.
178	$68,005	**Fuqua Homes Inc.** 7100 S. Cooper Arlington, TX 76017	Key Exec: William C. Noble. Sold 2623 mobile homes for $68 mil. Builds in Ariz., Calif., Fla., Mo., Ore. and Texas. Subsidiaries: Concept Building Systems Co. Sells to first-timers (15%), move-ups (25%), empty-nesters (30%) and retirees (30%).
179	$67,316	**Mercedes Homes** 1600 W. Eau Gallie Blvd. Melbourne, FL 32935	Key Exec: Keith Buescher. Sold 859 SFD houses for $55.4 mil. Land sales: $11.9 mil. SFD averages 1600 sq. ft. and sells for an average $75,500. Builds only in Fla. Sells to first-timers (78%), move-ups (15%), empty-nesters (2%) and retirees (5%).
180	$67,000	**Milton Co.** 1430 Springhill Rd., #300 McLean, VA 22102	Key Exec: Milton Schneiderman. Sold 100 SFD houses for $40 mil., 150 attached houses for $25 mil. Land sales: $2 mil. SFD averages 3000 sq. ft.; attached 1800 sq. ft. Builds in Va. and Md. Sells to first-timers (50%), move-ups (40%) and empty-nesters (10%).
181	$66,251	**Zaring National Corp.** 11300 Cornell Park Dr. Cincinnati, OH 45242	Key Exec: Allen G. Zaring. Sold 286 SFD houses for $58.3 mil., 25 attached houses for $3.2 mil. Land sales: $4.7 mil. SFD averages 2800 sq. ft. Builds in Ohio, Ky., and Tenn. Subsidiary: Zaring Land Development L.P. Sells to move-ups (85%).
182	$65,800	**Randall Group** 9500 S. W. Barbur Blvd., #300 Portland, OR 97219	Key Exec: Robert D. Randall. Built 1062 apartments valued at $62.1 mil. Remodeling: $500,000. Non-res: $3 mil. Apartments average 850 sq. ft. and rent on average for $675 a month. Builds in Ore. and Calif. Subsidiary: KR West Co. Inc.
183	$65,513	**Newmark Home Corp.** 10435 Greenbough, #101 Stafford, TX 77477	Key Exec: John E. Harris. Sold 380 SFD houses for $65.5 mil. SFD averages 3226 sq. ft. and sells for $173,675. Builds only in Texas. Subsidiary: Fedrick, Harris Estate Homes. Sells to first-timers (15%), move-ups (75%), empty-nesters (5%) and retirees (4%).
184	$65,307	**Interstate General Co.** 222 Smallwood Village Cntr. St. Charles, MD 20602	Key Exec: James J. Wilson. Sold 285 SFD houses for $27.3 mil., 111 attached houses for $13.4 mil. Land sales: $8.7 mil. Partnerships/fees/interest: $15.9 mil. Builds primarily in Md, Va. and N.C. Sells to first-timers (28%) and move-ups (65%).
185	$65,200	**LeCesse Corp.** 1412 W. Colonial Dr. Orlando, FL 32804	Key Exec: Salvador F. LeCesse. Sold 25 SFD houses for $2.4 mil., and an estimated 380 apartments for $38 mil. Non-res: $24 mil. Fees: $800,000. Apartments average 860 sq. ft. and rent on average for $0.55 a sq. ft. Builds in N.Y. and Fla.
186	$64,925	**Roberts Properties Inc.** P.O. Box 28744 Atlanta, GA 30328	Key Exec: Charles S. Roberts. Sold 40 SFD houses for $4.9 mil., 714 apartments for $53.6 mil. Remodeling: $76,000. Rents/fees: $4.7 mil. Other: $1.7 mil. SFD averages 2400 sq. ft.; attached 1250 sq. ft. Sells to first-timers (35%) and move-ups (60%).
187	$64,645	**Larwin Construction Co.** 16255 Ventura Blvd. Encino, CA 91436	Key Exec: Michael I. Keston. Sold 236 SFD houses for $45 mil. Non-res: $13.2 mil. Rents/fees: $6.4 mil. SFD averages 2100 sq. ft. and sells for $190,000. Builds only in Calif. Sells to first-timers (30%), move-ups (50%) and empty-nesters (20%).
188	$64,371	**Rayco Inc. (Ellison Homes)** P.O. Box 5250 San Antonio, TX 78201	Key Exec: Jack H. Willome. Sold 811 SFD houses for $64.4 mil. SFD averages 2200 sq. ft. and sells on average for $80,000. Builds only in Texas. Company subs out all work. Rayco has more than 100 employees.
189	$64,199	**Summerhill Development** 777 California Ave. Palo Alto, CA 94304	Key Exec: Keith Guericke. Sold 429 SF attached houses for $41.9 mil., 96 apartments for $9.2 mil. Rents/fees: $13.1 mil. SF attached averages 1250 sq. ft.; apartments 800 sq. ft. Builds only in Calif. Is a subsidiary of Marcus & Millichap Inc.
190	$63,999	**Fairfield Homes Inc.** 12876 Harbor Dr. Woodbridge, VA 22192	Key Exec: John V. Neill Jr. Sold 208 SFD houses for $54.8 mil., 40 attached houses for $9.2 mil. SFD averages 2900 sq. ft.; attached 2000 sq. ft. Builds in Fla., Va. and Md. Subsidiaries: Fairfie Building Systems; Fairfax Homes. Sells to move-ups (75%).
191	$63,980	**McKellar Communities** 5151 Shoreham Place, #200 San Diego, CA 92122	Key Exec: William F. Miller. Sold 86 SFD houses for $15.5 mil., 199 attached houses for $48.5 mil. SF averages 1600 sq. ft. Builds only in Calif. Is a subsidiary of McKellar Development. Sells to first-timers (33%), move-ups (33%).
192	$63,950	**Berry, Bette & Led Duke Inc.** P.O. Box 12789 Albany, NY 12212	Key Exec: Donald R. Led Duke. Sold 843 SFD houses for $37.8 mil., 655 apartments for $26.2 mil., 72 high-rise residential units for $5.4 mil. Non-res: $145 mil. Builds in N.Y., Fla., Calif. and Maine.
193	$63,700	**Crosswinds Communities** 7380 Meadowridge Circle Bloomfield, MI 48033	Key Exec: Bernard Glieberman. Sold 150 SFD houses for $25 mil., 300 attached houses for $32.5 mil. Land sales: $4.8 mil. Rents/fees: $1.4 mil. Builds only in Mich. Sells to first-timers (60%), empty-nesters (30%) and retirees (10%).
194	$63,234	**Akins Development Co.** 5 Park Plaza #400 Irvine, CA 92714	Key Exec: Bruce Akins. Sold 54 SFD houses for $22 mil., 94 attached houses for $18 mil., 622 apartments for $14.2 mil. Non-res: $8.9 mil. SFD averages 2800 sq. ft.; attached 1700 sq. ft.; apartments 1300 sq. ft. Builds only in Calif.
195	$62,993	**Homes of Merit Inc.** P.O. Box 1606 Bartow, FL 33830	Key Exec: Charles E. Weeder. In calendar year 1990, this company built and sold 3019 mobile homes for revenues of $63 mil. Company builds only in Fla.
196	$62,000	**Shelter Canadian Holdings** 2600 Seven Evergreen Pl. Winnipeg, CD R3I2T3	Key Exec: Arni C. Thorsteinson. Sold 700 apartments for $42 mil. Rents/fees: $20 mil. Apartments average 800 sq. ft. and rent for an average of $650 a month. Builds in Fla. and Md. Subsidiaries: S.C.A. Dev. Inc.; Shelter Dev. Corp.; Shelter Corp. of Canada.
197	$61,869	**ITT Community Homes** 1 Corporate Dr. Palm Coast, FL 32151-0001	Key Exec: Robert DeVore. Sold 307 SFD houses for $35.4 mil., 24 attached houses for $1.9 mil. Non-res: $19.9 mil. Land sales: $4.2 mil. SFD averages 1750 sq. ft.; attached 1350 sq. ft. Builds in Fla. Sells to move-ups (25%), empty-nesters (75%).
198	$61,349	**Whitecliff Co.** 859 San Mateo Dr. San Mateo, CA 94401	Key Exec: Paul C. Petersen. Sold 89 single-family detached houses for $38.3 mil., 76 attached houses for $14.5 mil. Land sales: $8.6 mil. Builds in Calif.
199	$61,098	**Fairfield Communities Inc.** 2800 Cantrell Rd. Little Rock, AR 72203	Key Exec: C.R. Warner. Sold 460 SFD houses for $61.1 mil. Land sales: $12.9 mil. Rents/fees: $17.7 mil. Timeshare/interest: $160.1 mil. Builds mostly in Ariz. and Fla. In October firm filed for reorganization under Chapter 11.
200	$61,000	**Post Properties** 100 Cumberland Circle, #2200 Atlanta, GA 30339	Key Exec: John A. Williams. Built 1000 apartments for $61 mil.; 125 high-rise res. units for $11.7 mil. Rents/fees: $77.4 mil.; Landscaping: $2.5 mil. Apartments average 920 sq. ft. for $690 a month. Builds in Ga. and Fla. Subsidiary is Post Atlanta.

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Deluxe Homes Handles Both Manufactured And Stick-Built

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
201	$60,529	**L.J. Hooker Homes** 6000 Live Oak Parkway, #113 Norcross, GA 30093	Key Exec: Peter Joyce. Sold 585 SFD houses for $60.5 mil. SFD sells for an average price of $103,500. Builds in Fla. Is a subsidiary of L.J. Hooker Corp., Sydney, Australia. Company declared bankruptcy in 1989. Sells to first-timers (90%), move-ups (10%).
202	$60,100	**Trojen Properties Inc.** P.O. Box 962 Rancho Mirage, CA 92270	Key Exec: Edwin C. Johnsen. Sold 47 SFD houses for $59.2 mil. Rents/fees: $900,000. SFD averages 4800 sq. ft. and sell for an average price of $1.3 mil. Builds in Calif. Sells to first-timers (20%), move-ups (40%), empty-nesters (20%) and retirees (20%).
203	$60,006	**Wick Building Systems** 404 Walter Rd. Mazomanie, WI 53560	Key Exec: John Wick. Manufactured 1527 mobile homes for $32.3 mil., 164 panelized units for $8.6 mil. Non-res: $19.1 mil. Builds in Wisc., Ill., Minn., Iowa, Mich., Ind., Kans., and Mo.
204	$59,785	**S&A Custom Built Homes** 501 Rolling Dr., #200 State College, PA 16801	Key Exec: Don Haubert, Robert Poole. Sold 507 SFD houses for $47.1 mil., 80 attached houses for $4.6 mil. Remodeling: $400,000. Non-res: $2.4 mil. Land sales: $2.3 mil. Building supply sales: $3.1 mil. Builds in Pa., Md. and W. Va. Sells to first-timers and move-ups.
205	$59,761	**Michael Andrew Group** 12526 High Bluff Dr., #210 San Diego, CA 92130	Key Exec: R.M. Scharringhausen. Sold 193 SFD houses for $26.9 mil., 44 attached houses for $7.9 mil., 60 apartments for $3.9 mil. Land sales: $21.1 mil. SFD averages 2000 sq. ft. Builds in Calif. and Nev. Sells to first-timers (20%), move-ups (50%), empty-nesters (15%).
206	$58,238	**John Laing Homes Inc.** 23382 Mill Creek, #105 Laguna Hills, CA 92653	Key Exec: Robert E. Fritts. Sold 232 SFD houses for $39.7 mil., 109 attached houses for $18.5 mil. SFD averages 1900 sq. ft. selling for $180,000; attached 1400 sq. ft. for $165,000. Builds in Calif. Is a subsidiary of John Laing PLC, U.K.
207	$58,051	**Westfield Homes** 33973 N. Hunt Club Rd. Gurnee, IL 60031	Key Exec: Roger B. Gatewood. Sold 274 SFD houses for $46.4 mil., 106 attached houses for $11.7 mil. SFD averages 2000 sq. ft. selling for $169,200; attached 1475 sq. ft. selling for $110,000. Builds in Ill. and Fla.
208	$58,032	**Douglas Allred Co.** 1660 N. Hotel Circle Dr., #200 San Diego, CA 92108	Key Exec: Douglas O. Allred. Sold 29 SFD houses for $5.3 mil., 120 attached houses for $21.8 mil. Built 368 apartments valued at $30.9 mil. Land sales: $68.4 mil. Rents/fees: $21.2 mil. Contract building: $3.1 mil. Builds in Calif. Sells to first-timers (80%).
209	$57,712	**Hughes-Patwil Homes** P.O. Box 6181 Harrisburg, PA 17112	Key Exec: Eugene Bastian. Sold 806 SFD houses for $57.7 mil. SFD averages 1750 sq. ft. Builds in Pa., Md., Ohio, W. Va., N.J. and Del. Subsidiary: Penn Family Homes. Sells to first-timers (25%), move-ups (50%), empty-nesters (15%) and retirees (10%).
210	$57,561	**Kettler Brothers Inc.** 9426 Stewartown Rd. Montgomery Village, MD 20879	Key Exec: Clarence E. Kettler. Sold 57 SFD houses for $16 mil., 140 attached houses for $30.1 mil. Land sales: $500,000. Other: $10.1 mil. SFD averages 2500 sq. ft.; attached 1700 sq. ft. Builds in Md., Pa. and Wash. D.C.
211	$57,500	**Blazer Building** 10101 Harwin, #300 Houston, TX 77036	Key Exec: Chris Richardson. Sold one single-family detached house for $2.5 mil., 2050 apartments for $55 mil. Apartments average 772 sq. ft. Builds in Fla., Md., Ohio and Texas.
212	$57,382	**National Enterprises Inc.** 2301 S. Banker Effingham, IL 62401	Key Exec: L.W. McKenzie. In calendar year 1990, this company manufactured and sold 4760 panelized units for total revenues of $57.4 mil.
213	$56,679	**McBride & Son Enterprises** #11 McBride Corp. Center St. Louis, MO 63005	Key Exec: Richard T. Sullivan. Sold 201 SFD houses for $32.4 mil., 13 attached houses for $800,000. Remodeling: $2.3 mil. Non-res: $200,000. Land sales: $3.2 mil. Rents/fees: $100,000. Subcontracting: $17.7 mil. Builds in Mo. and Ill. Sells to move-ups (70%).
214	$56,400	**Epoch Properties Inc.** 359 Carolina Ave. Winter Park, FL 32789	Key Exec: James H. Pugh Jr. Built 1175 apartments for $56.4 mil. Apartments average 975 sq. ft. and rent for an average of $0.68 a sq. ft. Builds in Fla. Subsidiary: Epoch Management Inc.
215	$56,300	**Brighton Homes** 505 N. Tustin Ave., #250 Santa Ana, CA 92705	Key Exec: Todd S. Cunningham. Sold 142 SFD houses for $56.3 mil. SFD averages 3100 sq. ft. selling for $400,000. Builds in Calif. Sells to first-timers (10%), move-ups (80%), empty-nesters (10%).
216	$56,000	**DeMatteis Construction** EAB Plaza W. Tower, 15th Fl. Uniondale, NY 11556-0102	Key Exec: Frederick DeMatteis. Sold 223 SF attached houses for $56 mil. Built 669 high-rise res units for $191 mil. Non-res: $80 mil. SFD averages 1607 sq. ft. selling for $290,516. Builds in N.Y. and N.J.
217	$55,364	**Nanticoke Homes Inc.** P.O. Box F Greenwood, DE 19950	Key Exec: John Mervine Sr. Sold 852 modular units for $55.1 mil. Non-res: $200,000. SFD averages 1400 sq. ft. selling for $68,314; attached 1200 sq. ft. selling for $49,761. Builds in Md., Del, N.J. and Pa. Sells to first-timers (10%), move-ups (70%), retirees (11%).
218	$55,256	**DeLuxe Homes of PA** 499 West 3rd St. Berwick, PA 18603	Key Exec: Donald E. Meske. Sold 19 SFD houses for $2.6 mil., 305 attached houses for $25 mil., 719 modular units for $27.6 mil. Builds in N.Y., Pa., N.J., R.I. and eight other states. Subsidiaries: DeLuxe Dev. Corp.; DeLuxe Dev of N.Y.; Laurel Hills Dev. Corp.
219	$54,825	**Orange Blossom Hills Inc.** 1200 Avenida Central Lady Lake, FL 32159	Key Exec: Harold S. Schwartz. Sold 502 SFD houses for $39.8 mil. Non-res: $1.7 mil. Rents/fees: $2.1 mil. Other: $11.2 mil. SFD averages 1321 sq. ft. selling for $61,622 without lot. Builds in Fla. Sells to retirees (100%).
220	$54,790	**Gulfstream Housing Corp.** 861 Douglas Ave. Altamonte Springs, FL 32714	Key Exec: Roy T. Dye. In calendar year 1990, this company built and sold 484 single-family detached houses for total revenues of $54.8 mil.
221	$54,725	**Hal Porter Homes** 1280 Central Blvd. Brentwood, CA 94513	Key Exec: Hal Porter. Sold 170 SFD houses for $24.2 mil. Built 94 apartments for $6.2 mil. Non-res: $11 mil. Land sales: $13.4 mil. SFD averages 1400 sq. ft.; apartments 750 sq. ft. Builds in Calif. Sells to first-timers (75%), move-ups (15%).
222	$54,700	**Inco Homes** P.O. Box 970 Upland, CA 91785-0970	Key Exec: Ira Norris. Sold 308 SFD houses for $44.7 mil. Land sales: $10 mil. SFD averages 1800 sq. ft. selling for $145,130. Builds in Calif. Sells to first-timers (55%), move-ups (35%), empty-nesters (5%) and retirees (5%).
223	$54,418	**Falcon Development Corp.** 2290 South Jones Blvd., #110 Las Vegas, NV 59102	Key Exec: Mark Doppe. Sold 285 SFD houses for $28.1 mil., 285 attached houses for $6.1 mil. Built 256 apartments valued at $12.8 mil. Rents/fees: $900,000. Engineering & Gen Contract Affiliates: $6.5 mil. Builds only in Nev.
224	$53,461	**[illegible]view Development Co.** 200 L. Sandpointe Ave., #700 Santa Ana, CA 92707	Key Exec: Thomas C. Siffermann. Sold 331 SFD houses for $51.2 mil. Land sales: $1.5 mil. Rents/fees: $800,000. SFD averages 1700 sq. ft. selling for $154,700. Builds in Calif. Sells to first-timers (70%), move-ups (10%), empty-nesters (10%) and retirees (10%).
225	$53,344	**Sexton Cos.** 9001 N. Meridian St. Indianapolis, IN 46260	Key Exec: Joseph F. Sexton. Built 670 apartments valued at $25.5 mil. Remodeling: $1.2 mil. Rents/fees: $26.7 mil. Apartments average 792 sq. ft. and have an average rent of $428 a month. Builds only in Ind.

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Diversification Boosts Arker Cos. Revenues By 55%

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
226	**$53,000**	**Citation Builders-So. Calif.** 15101 Redhill Ave., #100 Tustin, CA 92680	Key Exec: Anthony Allen. Sold 281 SFD houses for $53 mil. SFD averages 1500 sq. ft. Builds only in California and sells to first-timers (35%) and move-ups (65%).
226	**$53,000**	**Union Valley Corp.** 2209 Rt. 9 Howell, NJ 07731	Key Exec: Herbert Wishnick. PB&R estimates that in calendar year 1990, this firm built and sold 311 residential units for total estimated volume of $53 mil.
226	**$53,000**	**Arker Cos.** 1015 Cedar Lane Woodmere, NY 11598	Key Exec: Sol Arker. Sold 40 SFD houses for $20 mil. and built 150 apartments valued at $10 mil. Sold 75 high rise units for $5 mil. and 20 remodeling jobs totaled $3 mil. Non-res: $15 mil. Sells to first-timers (20%), move-ups (50%) and empty-nesters (30%).
229	**$52,800**	**RGC (RecreActions Group)** 20 Corporate Plaza Newport Beach, CA 92660	Key Exec: E. James Murar. Sold 10 SFD houses for $3.6 mil., 281 attached houses for $49.2 mil. SFD averages 2300 sq. ft.; attached 1311 sq. ft. Builds in N.J. and Calif. Co. Sells to first-timers (65%), move-ups (31%) and empty-nesters (4%).
230	**$52,498**	**Liberty Homes Inc.** 1101 Eisenhower Dr. N. Goshen, IN 46526	Key Exec: Edward J. Hussey. In calendar year 1990, this company built and sold 3480 mobile homes for a sales volume of $52.5 mil. National company sells in every region of USA except southwest.
231	**$52,343**	**Joe Keim Builders Inc.** 618 Frazier Ct. Wheaton, IL 60187	Key Exec: Joseph A. Keim. Sold 86 SFD houses for $28.8 mil. Land sales: $23.5 mil. SFD averages 3410 sq. ft. Builds only in Ill. Subsidiary: Joe Keim Land Corp. Sells to first-timers (11%), move-ups (84%), empty-nesters (2%) and retirees (3%).
232	**$51,441**	**Patriot Homes Inc.** 57420 County Rd. 3 Elkhart, IN 46517	Key Exec: Sam Weidner. In calendar year 1990, this company built and sold 2432 mobile homes for $50 mil., and 75 modular units for $1.5 mil. Company sells product only east of the Mississippi River.
233	**$51,158**	**Kennedy Group (Fla.)** 2001 W. Sample Rd. Pompano Beach, FL 33064	Key Exec: Timothy Kelly/Robert Kennedy. Sold 246 SFD houses for $40.5 mil., 112 attached houses for $10.6 mil. SFD averages 2100 sq. ft.; attached 1700 sq. ft. Builds only in Fla. Sells to first-timers (15%), move-ups (35%), empty-nesters (40%) and retirees (10%).
234	**$51,125**	**Techbilt Construction** 3575 Kenyon St. San Diego, CA 92110	Key Exec: Paul K. Tchang. Sold 115 SFD houses for $43.1 mil. Non-res: $8 mil. SFD averages 2500 sq. ft. Builds soley in Calif. Sells to first-timers (60%), move-ups (10%), empty-nesters (10%) and retirees (20%).
235	**$51,076**	**Housing Group** 1399 Ygnacio Valley Rd. Walnut Creek, CA 94598	Key Exec: James R. Milliken. Sold 79 SFD houses for $27.6 mil. and built 232 apartments for investment valued at $23.5 mil. SFD averages 2750 sq. ft. Builds only in Calif. Sells to first-timers (10%), move-ups (80%) and empty-nesters (10%).
236	**$50,500**	**Pennhill Co.** 3991 MacArthur, #240 Newport Beach, CA 92660	Key Exec: Thomas E. Tucker. Sold 200 SFD houses for $40 mil., 103 attached houses for $10.5 mil. SFD averages 2000 sq. ft.; attached 1000 sq. ft. Builds only in Calif. Sells to first-timers (25%) and move-ups (75%).
237	**$50,400**	**Martin Selko Co.** 110 N. Doheny Dr. Beverly Hills, CA 90211	Key Exec: Martin P. Selko. In calendar year 1990, this copany built and sold 13 single-family detached luxury homes for a total volume of $50.4 mil.
238	**$50,281**	**Braddock & Logan Associates** 4155 Blackhawk Circle, #201 Danville, CA 94506	Key Exec: Joseph E. Raphel. Sold 37 SFD houses for $10.6 mil., 62 attached houses for $16.3 mil. Non-res construction: $3.7 mil. Land sales: $1.9 mil. Rents/fees: $17.8 mil. Sells to first-timers (20%), move-ups (60%), empty-nesters (10%) and retirees (10%).
239	**$49,872**	**W.O. Brisben Cos.** 4750 Ashwood Dr., #300 Cincinnati, OH 45241	Key Exec: W.O. Brisben. Built 579 apartments for investment valued at $39.4 mil. Land sales: $225,000. Rents/fees: $10.2 mil. Apts average 975 sq. ft. Builds in Florida and Ohio. Subsidiaries: Brisben Dev. and National Realty Management.
240	**$49,500**	**Rottlund Co.** 5201 E. River Rd. Fridley, MN 55421	Key Exec: David Rotter. Sold 150 SFD houses for $18 mil., 450 attached houses for $31.5 mil. SFD averages 1800 sq. ft.; attached 1300 sq. ft. Builds only in Minn. Sells to first-timers (65%), move-ups (30%), empty-nesters (3%) and retirees (2%).
241	**$49,000**	**Linpro Co.** 200 Berwyn Park, #300 Berwyn, PA 19312	Key Exec: Eric Eichler. PB&R estimates that in calendar year 1990, this firm built and sold 299 houses for $35 mil., and 202 apartments for $14 mil.
241	**$49,000**	**Universal Constructors** P.O. Box 28 McMinnville, TN 37110	Key Exec: Larry D. Elliott. Sold 1400 apartments for $48 mil., and built 32 apts. for investment valued at $1 mil. Apts average 1000 sq. ft. Builds in Ga., Pa., Tenn., Ala., and S.C.
243	**$48,770**	**Klutts Homes** 1433 Emerywood Dr. Charlotte, NC 28210	Key Exec: J. Vaughn Klutts Sr. Sold 228 SFD houses for $22.8 mil.and built 130 apartments for investment valued at $5.5 mil. Non-res: $200,000. Land sales: $1.8 mil. Rents/fees: $199,224. Other: $18.3 mil. Builds in N.C. and S.C. Subsid: Pioneer Home Builders.
244	**$48,592**	**Torino Construction Corp.** P.O. Box 2941 Palos Verdes, CA 90274	Key Exec: Francis P. Torino. Sold 82 SFD houses for $22.8 mil., and 366 apts. for own investment valued at $25.8 mil. Non-res: $16.4 mil. Land sales: $15.7 mil. Rents/fees: $17.3 mil. Other: $4.1 mil. SFD averages 2650 sq. ft. Builds in Calif. and Nev.
245	**$48,125**	**Red Seal Development Corp.** 425 Huehl Rd. Northbrook, IL 60062	Key Exec: David Hoffman. Sold 95 SFD houses for $22.5 mil., 11 attached houses for $9 mil. Remodeling: $300,000. Non-res: $15 mil. Rents/fees: $1.2 mil. SFD averages 3100 sq. ft.; attached 2300 sq. ft. Builds only Illinois. Sells to move-ups (50%) and retirees (50%).
246	**$48,043**	**Henry Fischer Builder Inc.** 1035 Eaton Dr. Ft. Wright, KN 41017	Key Exec: Henry K. Fischer. Sold 258 SFD houses for $46.5 mil., 9 attached houses for $1.3 mil. Land sales: $255,000. SFD averages 2600 sq. ft.; attached 2000 sq. ft. Builds in Ky. and Ohio. Sells to first-timers (5%), move-ups (90%) and empty-nesters (5%).
247	**$47,886**	**Sundance Homes** 5360 Keystone Ct. Rolling Meadows, IL 60008	Key Exec: Maurice Sanderman. Sold 131 SFD houses for $29.3 mil., 111 attached houses for $16.3 mil. Land sales: $2.2 mil. SFD averages 2500 sq. ft.; attached 1800 sq. ft. Builds only in Ill. Sells to first-timers (34%), move-ups (65%) and empty-nesters (1%).
248	**$47,600**	**Kopf Construction Corp.** 32730 Walker Rd., H-1 Avon Lake, OH 44012	Key Exec: H.R. Kopf. Sold 96 SFD houses for $28.3 mil., 26 attached houses for $3.9 mil., 104 apartments for $7.3 mil. Non-res: $1.8 mil. Land sales: $600,000. Rents/fees: $3.6 mil. Development fees: $2.6 mil. Builds only in Ohio.
249	**$46,996**	**Estridge Cos.** 148 W. Carmel Dr. Carmel, IN 46032	Key Exec: Paul E. Estridge. Sold 264 SFD houses for $43.2 mil., 8 attached houses for $591,000. Remodeling: $125,000. Land sales: $3.1 mil. Builds only in Ind. Sells to first-timers (20%), move-ups (40%) and empty-nesters (20%).
250	**$46,420**	**Zicka Homes** 11939 Montgomery Rd. Cincinnati, OH 45249	Key Exec: Michael Zicka. Sold 110 SFD houses for $31 mil., 156 apartments for $5 mil. Lot sales: $10 mil. SFD averages 2900 sq. ft. Builds only in Ohio. Sells to first-timers (10%), move-ups (85%) and empty-nesters (5%).

ANNUAL REPORT OF HOUSING'S GIANTS®

General Dev., Catalina Build Despite Chapter 11 Filings

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
251	$46,400	**Estes Home Building** P.O. Box 17360 Tucson, AZ 85731-7360	Key Exec: William Estes Jr. PB&R estimates that in calendar year 1990, this firm built and sold 464 SF houses for approximately $46.4 mil. in total revenue. Company builds in Ariz. only.
252	$46,138	**Davis Building Corp.** 8200 N. Haverstick Rd., #250 Indianapolis, IN 46240	Key Exec: Charles R. Davis. Sold 290 SFD houses for $34.8 mil. Also sold pre-cut home packages valued at $3.8 mil. Land sales: $4.7 mil. Rent/fees: $2.1 mil. SFD averages 1500 sq. ft. Builds in Ind. Subsidiaries: Davis Wholesale (lumber supply).
253	$46,005	**Century American** P.O. Box 3500 Laguna Hills, CA 92705	Key Exec: Roger C. Hobbs. Sold 88 SFD houses for $18.6 mil., 68 attached houses for $10.5 mil., 200 apartments for $12 mil. Land sales: $2.8 mil. Rent/fees: $1.2 mil. SFD averages 1900 sq. ft.; attached 1500 sq. ft. Sells primarily to first-timers and move-ups.
254	$46,000	**Evans Withycombe Inc.** 4455 E. Camelback Rd. Phoenix, AZ 85018	Key Exec: Stephen O. Evans. Built 23 SFD houses for $4 mil., 880 apartments for $40 mil. Remodeling: $2 mil. Rents/fees: $65 mil. Apartments average 950 sq. ft. Builds in Ariz. only.
255	$45,681	**Ginsburg Development** 245 Saw Mill River Rd. Hawthorne, NY 10532	Key Exec: Martin Ginsburg. Sold 64 attached houses for $24.8 mil. Rents/fees: $20.9 mil. Attached units averaged 3000 sq. ft. Builds in N.Y. only. Sells to first-timers (25%), move-ups (50%), empty-nesters (20%) and retirees (5%).
256	$45,468	**North American Housing Corp.** P.O. Box 145 Point of Rocks, MD 21777	Key Exec: R. Carl Benna. In calendar year 1990, this company built and sold 1318 modular housing units for entire total of $45.5 mil. Units for single-family detached applications averaged 1550 sq. ft.; attached 1050 sq. ft.
257	$45,295	**General Development (Fla.)** 2601 S. Bayshore Dr. Miami, FL 33133	Key Exec: J. Larry Rutherford. Filed bankruptcy in April, 1990, but sold 451 single-family detached houses for $38.5 mil., 80 attached units for $6.8 mil. Reorganized company expects to emerge from bankruptcy in 1991.
258	$45,000	**Miller and Smith Cos.** 1568 Spring Hill Rd., #401 McLean, VA 22102	Key Exec: Alvin D. Hall. Sold 80 SFD houses for $22 mil., 135 attached houses for $23 mil. Non-res: $10 mil. Land sales: $26 mil. Rents/fees: $8 mil. Other income: $53 mil. Builds in Va. (70%) and Md. (30%). Subsidiaries include Miller and Smith Commercial.
259	$44,850	**Luckey Co.** P.O. Box 7428 Stockton, CA 95207	Key Exec: Thomas A. Luckey. Sold 71 SFD houses for $14.3 mil., 341 rental apartments for $23.3 mil. Land sales: $5 mil. Rents/fees: $2.3 mil. SFD averages 2290 sq. ft.; apartments 840 sq. ft. Builds in Calif., Ore. and Nev. Sells mostly to move-ups (75%).
260	$44,400	**Guerdon Homes** 5285 Meadows, #315 Lake Oswego, OR 97305	Key Exec: Al Preusch. Name changed from Guerdon Industries. Sold 4000 mobile homes for $38.1 mil., 250 modular housing units for $6.3 mil. Firm operates in Ore., Miss., Idaho and Neb. Received significant order to ship units to Israel.
261	$44,129	**Amurcon Corp. of Virginia** 1001 E. Main St., #1100 Richmond, VA 23219	Key Exec: Robert W. Schaberg. Sold 36 attached units for $4.6 mil., 266 rental apartments for $16.6 mil. Rents/fees: $22.5 mil. Attached for-sale units averaged 1100 sq. ft., apartments 800 sq. ft. Builds in Va. only. Sells 100% to first-timers.
262	$43,900	**Bay Ridge Properties** 411 108th Ave. NE #1940 Bellevue, WA 98004	Key Exec: Andy Welch. Built 288 rental apartments which sold to investors for $16.6 mil., and 404 apartments which were retained, with a value of $27.3 mil. Builds in Wash. and Calif. Subsidiary: Sundance Construction Inc.
263	$43,770	**Selective Group Inc.** 27655 Middlebelt Rd., #130 Farmington Hills, MI 48018	Key Exec: Michael Horowitz. Sold 86 SFD houses for $25.2 mil., 23 attached units for $4.5 mil. Non-res: $14 mil. SFD averages 3100 sq. ft.; attached 2100 sq. ft. Builds in Mich. only. Sells to move-ups (75%), empty-nesters (25%).
264	$43,670	**Mangano Co. Inc.** 1840 S. Central Ave. Visalia, CA 93277	Key Exec: Andrew D. Mangano. Sold 363 SFD houses for $33.1 mil. Non-res: $7.7 mil. Land sales: $2.3 mil. SFD averages 1652 sq. ft. Builds in Calif. only. Subsidiaries: Mangano Bogard Group; The Lakes III. Sells mostly to first-timers (60%).
265	$43,600	**Lindal Cedar Homes Inc.** 4300 S. 104th Pl. Seattle, WA 98178	Key Exec: Robert W. Lindal. Sold 630 pre-cut home packages for entire revenue volume. Operates in N.Y., N.C., Va. and Calif. Subsidiary: Window Visions Co. (window manufacturer). Sells to first-timers (10%), move-ups (40%), empty-nesters (35%) and retirees (15%).
266	$43,500	**Ritz-Craft Corp.** P.O. Box 70 Mifflinburg, PA 17844	Key Exec: Paul R. John. Sold 239 mobile homes for $6.5 mil., 1050 modular units for $37 mil. Operates in Pa., N.Y., Va., W.Va., N.J., Ohio, Del., and New England. Subsidiaries: Medallion Homes; Platinum Homes. Sells mostly to first-timers and move-ups.
267	$43,497	**DeLuca Enterprises Inc.** 842 Durham Rd., #200 Newtown, PA 18940	Key Exec: Alfonso DeLuca. Sold 58 SFD houses for $20.5 mil., 80 attached units for $12 mil. Non-res: $3.1 mil. A retirement home: $5.1 mil. Land sales: $2 mil. SFD averages 3300 sq. ft.; attached 1500 sq. ft. Sells mostly to first-timers (32%) and move-ups (56%).
268	$43,386	**Quaker Group Builders** 593 Bethlehem Pike Montgomeryville, PA 18836	Key Exec: Streeper Karr III. Sold 193 SFD houses for $33.6 mil. Non-res: $4.6 mil. Rents/fees: $5.1 mil. SFD averages 2000 sq. ft. Builds in Pa. (95%) and N.J. Subsidiary: Quaker Construction Mgt.; Sells mostly to move-ups (67%) and first-timers (25%).
269	$42,800	**Catalina Homes** 644 Ferguson Dr. Orlando, FL 32858-5628	Key Exec: A.E. Elroy Arnason. Filed for bankruptcy late 1990. PB&R estimates that in calendar year 1990, this firm built and sold 535 single-family detached houses for $42.8 mil.
270	$42,299	**Royce Homes Inc.** 14614 Falling Creek, #250 Houston, TX 077068	Key Exec: Michael G. Manners. Sold 457 SFD houses for entire revenue total of $42.2 mil. Houses average 2100 sq. ft. Operates entirely in Texas (Houston and Dallas). Sells primarily to first-timers (30%) and move-ups (65%). Empty-nesters buy 5%.
271	$41,586	**PacificUS Real Estate Corp.** 2 N. Lake Ave. #800 Pasadena, CA 91101	Key Exec: Paul Giuntini. Sold 112 SFD houses for $19 mil., 114 attached for $11 mil., 148 rental apartments for $11.5 mil. Land sales: $81.3 mil. Rents/fees: $10.5 mil. Other income: $16 mil. SFD averages 1885 sq. ft.; attached 900 sq. ft. Builds only in Calif.
272	$41,200	**Pacesetter Homes Inc.** 4540 Campus Dr. Newport Beach, CA 92660	Key Exec: Landon Exley. Sold 239 SFD houses for $37.5 mil. Rents/fees: $3.7 mil. SFD homes average 2000 sq. ft. Builds in Calif. only. Sells to first-timers (25%) and move-ups (75%).
272	$41,200	**Gregory Group Inc.** 1070 Sixth Ave., #200 Belmont, CA 94002	Key Exec: Jeffery A. Slavin. Sold 95 SFD houses for entire revenue total of $41.2 mil. SFD averages 2370 sq. ft., priced at $434,000. Builds in Calif. only. Sells entirely to move-ups.
274	$41,100	**Hylton Group** 5593 Mapledale Plaza Dale City, VA 22193	Key Exec: Cecil D. Hylton. Sold 119 SFD houses for $17.4 mil., 80 attached houses for $8.9 mil. Non-res: $7.3 mil. Rents/fees: $7 mil. SFD averages 1800 sq. ft.; attached 1500 sq. ft. Builds in Va. Sells to first-timers (75%), move-ups and empty-nesters (25% each).
275	$41,051	**Manning Co.** 2031 Orchard Dr., #250 Santa Ana Heights, CA 92707	Key Exec: James C. Manning. Sold 125 SFD houses for $29.2 mil., 52 attached houses for $7.5 mil. Non-res: $3.8 mil. SFD averages 2090 sq. ft.; attached 1239 sq. ft. Builds in Calif. Sells mostly to move-ups (72%).

ANNUAL REPORT OF HOUSING'S GIANTS®

Pinn, Goodman, Interamerican Target Move-Up Market

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
276	$40,438	**Sun City Center Corp.** P.O. Box 5696 Sun City Center, FL 33570	Key Exec: Kim Frosell. Sold 128 SFD houses for $16.4 mil., 151 attached houses for $12.6 mil. Land sales: $800,000. Rents/fees: $500,000. Other income: $10.1 mil. SFD averages 1736 sq. ft.; attached 1357 sq. ft. Builds only in Florida. Sells only to retirees.
277	$40,308	**WesTrend Corp.** 23671 Birtcher Dr. Lake Forest, CA 92630	Key Exec: Gordon Youde. Sold 213 SFD houses for $40.3 mil. SFD averages 2000 sq. ft. Builds solely in Calif. Sells to first-timers (35%), move-ups (55%), empty-nesters (5%) and retirees (5%).
278	$40,297	**Chandler Group** 704 S. Victory Blvd. Burbank, CA 91502	Key Exec: Dan Chandler. Sold 243 apartments for $29.2 mil. Non-res: $6.1 mil. Rents/fees: $4.9 mil. Builds in only Calif. Rents to first-timers (30%), move-ups (65%), and empty-nesters (5%)
279	$40,028	**Andrade Development** 1620 West Fairmont Fresno, CA 93705	Key Exec: Eugene Andrade. Sold 1 SFD house for $600,000, 707 apartments for $34.8 mil. Land sales: $3.2 mil. Rents/fees: $1.3 mil. Apts. average 983 sq. ft. and rent for $482/month. Builds only in Calif.
280	$40,000	**Braemar Homes** 30495 Canwood St. Agoura Hills, CA 91301	Key Exec: Sidney H. Dinow. PB&R estimates that in calendar year 1990, this firm built and sold 100 single-family detached houses for $40 million in revenue.
281	$39,900	**Wallick Construction Co.** P.O. Box 1023 Columbus, OH 43216	Key Exec: Jack L. Wallick. Sold 98 SFD houses for $11.1 mil., 235 attached houses for $16 mil., 402 apartments for $12.8 mil. Non-res: $2.8 mil. Rents/fees: $40.8 mil. SFD averages 1400 sq. ft.; attached 1200 sq. ft. Subsidiary: Gemstar Homes, Columbus, Ohio.
282	$39,550	**Hills Developers Inc.** 7420 Montgomery Rd. Cincinnati, OH 45236	Key Exec: Stephen Guttman. Sold 15 SFD houses for $2.1 mil., 512 attached houses for $29.4 mil., 48 apartments for $2 mil. Land sales: $1 mil. Rents/fees: $5 mil. SFD averages 1800 sq. ft.; attached 1600 sq. ft. Builds in Ohio, Ky., Ind.
283	$39,040	**Joseph Miller Construction** 18133 Cedar Ave. South Farmington, MN 55024	Key Exec: Joseph M. Miller. Sold 325 attached houses for $39 mil. Remodeling: $40,000. SF attached averages 2000 sq. ft. Builds only in Minn. Subsidiaries: Argus Dev. Co. Sells to first-timers (30%), move-ups (65%), empty-nesters (5%)
284	$39,000	**Goodman Homes Inc.** 1424 Gables Ct. Plano, TX 75075	Key Exec: Stephen L. Goodman. Sold 225 SFD houses for $37.5 mil. Land sales: $1.5 mil. SFD averages 2500 sq. ft. Builds only in Texas. Sells to first-timers (10%), move-ups (70%), empty-nesters (10%) and retirees (10%).
285	$38,880	**Wiseman-Hughes Enterprises** 975 East 22nd St. Wheaton, IL 60187	Key Exec: James F. Hughes. Sold 158 SFD houses for $28.4 mil., 72 attached houses for $10.4 mil. SFD averages 2000 sq. ft.; attached 1550 sq. ft. Builds only in Illinois. Sells to first-timers (40%), move-ups (45%), empty-nesters (10%) and retirees (5%).
286	$38,625	**RWS Development Corp.** 9650 W. 194th St. Mokena, IL 60448	Key Exec: Robert Strutz. Sold 117 SFD for $17 mil., 129 attached houses for $15.7 mil. Land sales: $4.9 mil. Other: $1 mil. Builds in Illinois. Subsid: Illinois Builders Supply. Sells to first-timers (25%), move-ups (45%), empty-nesters (20%) and retirees (10%).
287	$38,609	**Taylor Morley Simon Inc.** 1227 Fernridge Parkway, #200 St. Louis, MO 63141-4451	Key Exec: Harry T. Morley. Sold 148 SFD houses for $28.3 mil., 96 attached houses for $7 mil. Rents/fees: $3.3 mil. SFD averages 2200 sq. ft.; attached 1200 sq. ft. Builds only in Mo. Sells to first-timers (20%) and move-ups (61%).
288	$38,300	**Projects West Corp.** 17000 Ventura Blvd., #301 Encino, CA 91316-4198	Key Exec: Gary Simons. Built 326 apartments valued at $37.5 mil. Non-res: $200,000. Rents/fees: $600,000. Apts average 1200 sq. ft. Builds only in Calif.
289	$38,045	**Parker Lancaster Corp.** 711 Moorefield Park Dr. Richmond, VA 23236	Key Exec: J. Russell Parker III. Sold 236 SFD houses for $35.2 mil. Non-res: $2.1 mil. Rents/fees: $370,213. Other income: $363,212. SFD averages 2044 sq. ft. Builds in Va. and N.C.
290	$37,993	**Cooper Communities Inc.** 1 Sunset Dr. Bella Vista, AR 72714	Key Exec: Larry B. Cooper. Sold 296 SFD houses for $34 mil., 24 attached houses for $4 mil. Non-res: $4.5 mil. Land sales: $50.5 mil. Other income: $17.6 mil. SFD averages 1800 sq. ft.; attached 2350 sq. ft. Builds in Ark, Tenn., and S.C.
291	$37,764	**Bergheer Co.** 840 Newport Center Dr. Newport Beach, CA 92660	Key Exec: Karl O. Bergheer. Sold 87 SFD houses for $26.9 mil., 44 attached houses for $9.2 mil. Rents/fees: $1.7 mil. SFD averages 1200 sq. ft. Builds only in Nev. Sells to first-timers (10%), move-ups (15%), empty-nesters (30%) and retirees (45%).
292	$37,500	**C.P. Morgan Co.** 1980 E.116 St. Carmel, IN 46032	Key Exec: Charles P. Morgan. Sold 267 SFD houses for $32 mil., 34 attached houses for $2.5 mil. Non-res: $3 mil. Rents/fees: $400,000. SFD averages 1900 sq. ft.; attached 1100 sq. ft. Builds only in Ind. Sells to first-timers (50%) and move-ups (35%).
292	$37,500	**Schneider Homes** 6510 South Center Blvd. 1 Seattle, WA 98188	Key Exec: Gerald Schneider. Sold 87 SFD houses for $16 mil., 153 attached houses for $20 mil. Land sales: $1.5 mil. SFD averages 2300 sq. ft.; attached 2000 sq. ft. Builds only in Wash. state. Sells to first-timers (20%), move-ups (50%) and empty-nesters (20%).
294	$37,470	**CEH Investments** 410 Severn Ave., #A301 Annapolis, MD 21403	Key Exec: John M. Brusnighan. Built 516 apartments for $37.5 mil. Apartments average 905 sq. ft., and rent for $649/month. Builds in Md., Del., Va., Pa.
295	$37,000	**Homes by Dave Brown** 2164 E. Broadway Rd., #300 Tempe, AZ 85282	Key Exec: David M. Brown. Sold 360 SFD houses for $37 mil. SFD averages 1750 sq. ft. Builds in Ariz. and Nev. Sells to first-timers (40%), move-ups (20%), empty-nesters (30%) and retirees (10%).
296	$36,934	**Icon Development Corp.** 6262 Bird Rd. #3G Miami, FL 33155	Key Exec: Fernando Zulueta. Sold 257 SFD houses for $30.5 mil., 102 apartments for $5.8 mil. Rents/fees: $20,387. Other income: $659,260. SFD averages 1737 sq. ft. Builds only in Fla. Sells to first-timers (65%), move-ups (15%) and empty-nesters (15%).
297	$36,688	**Williamsburg Properties Inc.** 423 Wards Corner Rd. Loveland, OH 45140	Key Exec: William R. Ryan. Sold 200 SFD houses for $28 mil., 72 attached houses for $5.6 mil. Land sales: $3.1 mil. SFD averages 2000 sq. ft.; attached 1500 sq. ft. Builds in Ohio and Ky. Subsidiary: Cincinnati Land Co.
298	$36,672	**Calprop Corp.** 5456 McConnell Ave. Los Angeles, CA 90066	Key Exec: Victor Zaccaglin. Sold 135 SFD houses for $30 mil., 14 attached houses for $6.7 mil. Land sales: $20,000. SFD averages 1950 sq. ft.; attached 1875 sq. ft. Builds only in Calif. Co. Sells to first-timers (15%), move-ups (55%) and empty-nesters (30%).
299	$36,000	**Pinn Brothers Construction** 1475 Saratoga Ave., #250 San Jose, CA 95129	Key Exec: Alan R. Pinn. Sold 60 SFD houses for $25 mil. Land sales: $9 mil. Rents/fees: $2 mil. SFD averages 2800 sq. ft. Builds only in Calif. and sells only to move-up buyers.
299	$36,000	**Interamerican Builders Corp.** 15375 Barranca Parkway, F-106 Irvine, CA 92718	Key Exec: Frank W. Bauman. Sold 39 SFD houses for $36 mil. Single-family detached product averages 4400 sq. ft. Builds only in Calif. and sells solely to move-up buyers.

ANNUAL REPORT OF HOUSING'S GIANTS®

Regency, Bradley, Stonehedge Add Remodeling Revenues

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
301	$35,296	**Charles Rutenberg Hous. Group** 28059 Highway 19 North, #301 Clearwater, FL 34621	Key Exec: Marc Rutenberg. Sold 307 SFD houses for $34.2 mil., 12 attached houses for $1.1 mil. SFD averages 2000 sq. ft.; attached 1400 sq. ft. Builds exclusively in Fla. Sells to first-timers (49%), move-ups (16%), empty-nesters (4%) and retirees (31%).
302	$35,100	**PLH Corp.** P.O. Box 27 Selinsgrove, PA 17870	Key Exec: Roger A. Lyons. Sold 1060 modular units for $35.1 mil. SFD averages 1450 sq. ft. Builds in Pa., N.Y., N.J., Ind., Del., Conn., Mass., N.H. and Fla. Sells to first-timers (45%), move-ups (45%) and retirees (10%).
303	$35,000	**Milburn Investments Inc.** 11911 Burnet Rd. Austin, TX 78766	Key Exec: Bill Milburn. Sold 400 SFD houses for $35 mil. Brokerage: $42 mil. SFD averages 1900 sq. ft. Builds exclusively in Texas. Sells to first-timers (35%), move-ups (35%), empty-nesters (15%) and retirees (15%).
304	$34,947	**Marrano/Marc Equity Co.** 2730 Transit Rd. Buffalo, NY 14884	Key Exec: Patrick Marrano. Sold 193 SFD houses for $32.4 mil., 22 attached houses for $2.5 mil. SFD averages 2500 sq. ft.; attached 1600 sq. ft. Builds only in N.Y. Sells to first-timers (10%), move-ups (75%), empty-nesters (8%) and retirees (7%).
305	$33,985	**Fryling Construction** 2100 Chicago Dr. SW Wyoming, MI 49509	Key Exec: Robert E. Fryling. Sold 492 apartments for $29.1 mil. Non-res: $4.7 mil. Apartments average 1000 sq. ft. Builds only in Mich. Fryling Development is a subsidiary.
306	$33,800	**Broadmoor Homes** 5405 Oberlin Dr. San Diego, CA 92121	Key Exec: George J. Nicholas. Sold 125 SFD houses for $21.2 mil. Non-res: $8 mil. Land sales: $1.5 mil. Rents/fees: $2.8 mil. SFD averages 2250 sq. ft. Builds only in Calif. Sells to move-ups (88%), empty-nesters (7%) and retirees (5%).
307	$33,648	**Ciotti Cos.** 111 Summit Dr. Exton, PA 19341	Key Exec: Sebastian R. Ciotti. Sold 143 SFD houses for $18.4 mil., 48 attached houses for $5 mil. Non-res: $6.6 mil. Rents/fees: $3.2 mil. SFD averages 1800 sq. ft.; attached 1600 sq. ft. Builds in Pa., Del. and N.J. Focus is on core business of affordable housing.
308	$33,560	**Regency Homes Inc.** 2826 University Dr. Pompano Beach, FL 33065	Key Exec: Ben L. Martz. Sold 135 SFD houses for $33 mil. Remodeling: $560,000. SFD averages 2500 sq. ft. Builds only in Fla. Sells 70% of product to move-ups.
309	$33,035	**Ivory Homes** 127 South 500 East, #110 Salt Lake City, UT 84102	Key Exec: Ellis R. Ivory. Sold 381 SFD houses for $32 mil. Land sales: $600,000. SFD averages 1400 sq. ft. Builds in Utah and Nev. Sells to first-timers (85%), move-ups (11%), empty-nesters (2%) and retirees (2%).
310	$33,013	**Davidson Communities** 12520 High Bluff Dr., #300 San Diego, CA 92130	Key Exec: William A. Davidson. Sold 89 SFD houses for $24 mil., 19 attached houses for $9.1 mil. SFD averages 2500 sq. ft.; attached 2628 sq. ft. Builds only in Calif. Sells to first-timers (10%), move-ups (40%), empty-nesters (40%) and retirees (10%).
311	$32,950	**Kennedy Group (Ill.)** 3721 Ventura Dr., #100 Arlington Hts., IL 60004	Key Exec: William W. Kennedy. Sold 109 SFD houses for $27.9 mil. Land sales: $4.9 mil. Builds only in Ill. Sells to first-timers (5%), move-ups (90%) and empty-nesters (5%).
312	$32,600	**G.L. Homes of Florida** 1401 University Dr., #300 Coral Gables, FL 33071	Key Exec: Itchko Ezratti. Sold 201 SFD houses for $31.1 mil. Rents/fees: $1.5 mil. SFD averages 2100 sq. ft. Builds only in Fla. Sells to first-timers (27%), move-ups (48%), empty-nesters (12%) and retirees (13%).
313	$32,418	**Kettler Forlines Inc.** 19110 Montgomery Village Ave. Gaithersburg, MD 20760	Key Execs: Clifford E. Forlines/Richard Kettler. Sold 60 SFD houses for $21.1 mil., 63 attached houses for $11.1 mil. SFD averages 2400 sq. ft.; attached 1000 sq. ft. Builds in Md., Va. and Pa. Sells 90% of product to move-ups (90%).
314	$32,132	**Doyle Wilson HomeBuilder** 8310 Capital of Texas Hwy., #100 Austin, TX 78731	Key Exec: Clark Wilson. Sold 275 SFD houses for $32.1 mil. SFD averages 2250 sq. ft. Builds only in Texas. Sells to first-timers (35%), move-ups (40%), empty-nesters (20%) and retirees (5%).
315	$32,100	**Panic Myers/Woodside Group** 4353 1 Edgewater Dr. Orlando, FL 32804	Key Exec: John Murphy. Sold 50 SFD houses for $9.6 mil. Built 500 apartments valued at $22.5 mil. SFD averages 2900 sq. ft.; apartments average 810 sq. ft. Builds only in Fla. Subsidiaries: PMW Construction; Georgetown Homes. Sells mainly to move-ups.
316	$32,050	**Bradley Construction** P.O. Box 6875 Clearwater, FL 33518	Key Exec: Richard B. Funk. Sold 362 apartments for $16.8 mil. Remodeling: $3 mil. Land sales: $1.1 mil. Rents/fees: $8.9 mil. Other: $2.1 mil. Builds in Fla. and Ga. Subsidiaries: Bradley Development; JRS Equities; Bradley Properties; Handy Storage.
317	$31,800	**Legacy Homes** 900 Roosevelt Parkway, #550 Chesterfield, MO 63017	Key Exec: Gerald Kerr. Sold 196 SFD houses for $30 mil. Land sales: $1.4 mil. Rents/fees: $400,000. SFD averages 2500 sq. ft. Builds in Mo. Sells to first-timers (20%) and move-ups (80%).
318	$31,718	**Mungo Co./Stonehedge Const.** 4400 St. Andrews Rd. Columbia, SC 29210	Key Execs: M. Stewart Mungo/Steven W. Mungo. Sold 305 SFD houses for $21.8 mil. Land sales: $8.7 mil. Remodeling: $500,000. Builds only in S.C. Subsidiaries: Sovereign Homes; Friarsgate Inc.; Riverwalk Inc. Sells to first-timers (70%) and move-ups (30%).
319	$31,706	**Holiday Builders Inc.** 1901 S. Harbor City Blvd. Melbourne, FL 32901	Key Exec: Lawrence F. Sietsma. Sold 557 SFD houses for $31.7 mil. SFD averages 1356 sq. ft. Builds only in Fla. Sells to first-timers (34%), move-ups (24%), empty-nesters (16%) and retirees (26%).
320	$31,688	**Mayer Homes** 1799 New Smizer Mill Rd. St. Louis, MO 63026	Key Exec: J. Randall Mayer. Sold 197 SFD houses for $29.1 mil. Rents/ Fees: $945,000. Other: $1.5 mil. SFD averages 2200 sq. ft. Builds only in Mo. Sells to first-timers (35%), move-ups (50%), empty-nesters (10%) and retirees (5%).
321	$31,500	**Hill Williams Dev. Corp.** 175 Riverview, #200 Anaheim Hills, CA 92808	Key Exec: Donald H. Williams Jr. Sold 40 SFD houses for $8 mil., 193 attached houses for $23.5 mil. SFD averages 2500 sq. ft. Builds only in Calif. Sells to first-timers (32%), move-ups (57%), empty-nesters (2%) and retirees (9%).
322	$31,476	**Costain Homes Inc.** 620 Newport Center Dr. #400 Newport Beach, CA 92660	Key Exec: Julie B. Newcomb. Sold 168 SFD houses for $31.4 mil. SFD averages 2150 sq. ft. Builds only in Calif. Sells to first-timers (18%), move-ups (47%), empty-nesters (14%) and retirees (21%).
323	$31,440	**Mitchell Co.** P.O. Box 160306 Mobile, AL 36616	Key Exec: John B. Saint. Sold 300 SFD houses for $24 mil., 300 panelized units for $225,000. Non-res: $2.6 mil. Rents/fees: $3.1 mil. Builds in Fla., La. and Ala. Sells to first-timers (55%), move-ups (25%), empty-nesters (15%) and retirees (5%).
324	$31,200	**Cal Coast Dev. Group** 2500 Via Cabrillo Marina, #200 San Pedro, CA 90731-7224	Key Exec: Edward Miller. PB&R estimates that in calendar year 1990, this firm built and sold 52 single-family detached houses as well as 146 attached houses for $31.2 mil.
325	$30,935	**Spielman-Cohen Builders** 9025 Wilshire Blvd., #301 Beverly Hills, CA 90211	Key Exec: Sanford Spielman. Sold 4 SFD houses for $11.7 mil., 78 apartments for $17.2 mil. Rents/fees: $1.9 mil. SFD averages 6000 sq. ft. Builds only in Calif. Sells all product to move-ups.

ANNUAL REPORT OF HOUSING'S GIANTS®

Woodside, Chanco, Wayne Homes New To Giants List

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
326	$30,900	**Garden State Land Co.** 101 Interchange Plaza Cranbury, NJ 08512	Key Exec: Joseph Millstein. Sold 59 SFD houses for $25.7 mil. Rents/fees: $5.2 mil. SFD averages 3000 sq. ft. selling for an average of $435,000. Builds in N.J. Subsidiaries: Shadow Oaks at Cranbury; Princeton Oaks; Lakeside at Medford; Heather Field; Princeton Ridge.
327	$30,619	**Home By Hemphill** 330 W. Frontage Rd. Northfield, IL 60093	Key Exec: James D. Hemphill. Sold 102 SFD houses for $20 mil., 52 attached houses for $9 mil. Land sales: $700,000. Rents/fees: $300,000. Interest: $400,000. SFD averages 2500 sq. ft.; attached 2200 sq. ft. Builds in Ill. Sells to first-timers (35%), move-ups (50%).
328	$30,615	**Pembroke Enterprises Inc.** 4425 Corporation Ln., #400 Virginia Beach, VA 23462	Key Exec: Frederick Napolitano. Sold 208 SFD houses for $23.6 mil., 84 attached houses for $7 mil. Non-res: $7.3 mil. Land sales: $5.2 mil. Rents/fees: $18.4 mil. Commissions/other: $3.8 mil. SFD averages 2100 sq. ft.; attached 1600 sq. ft. Builds in Va.
329	$30,600	**Kaplan Organization** 3100 Woodbridge Ave. Edison, NJ 08818-2910	Key Exec: Michael Kaplan. PB&R estimates firm sold 120 housing units with estimates of $18.4 mil. for stick construction and $10 mil. for modular units, and 20 apartments for $2.2 mil.
330	$30,550	**Alden Co.** 411 Borel Ave. #606 San Mateo, CA 94402	Key Exec: Colburn A. Jones Jr. Sold 103 SFD houses for $30.5 mil. SFD averages 2000 sq. ft. Builds only in Calif. Sells to first-timers (10%), move-ups (90%)
331	$30,500	**Drake Homes** P.O. Box 1448 Chico, CA 95927	Key Exec: John D. Drake. Sold 274 SFD houses for $30.5 mil. SFD averages 1600 sq. ft. and sells on average for $110,000. Builds only in Calif. Sells to first-timers (35%), move-ups (35%), empty-nesters (15%) and retirees (15%).
332	$30,364	**Wooldridge Organization** 1500 Green Hill Rd. West Chester, PA 19380	Key Exec: Robert E. Wooldridge. Sold 4 SFD houses for $1.6 mil., 74 attached houses for $19.3 mil. Rents/fees: $9.4 mil. SFD averages 3000 sq. ft.; attached 1800 sq. ft. Builds in Pa. and Calif. Sells to move-ups (10%), empty-nesters (50%) and retirees (40%).
333	$30,200	**L.A. Chanco Inc.** 22632 Golden Springs Rd. Diamond Bar, CA 91765	Key Exec: Steven Chan. Sold 54 SFD houses for $16.2 mil., 132 attached houses for $10.5 mil. Land sales: $500,000. Development fees: $3 mil. Builds in Calif. Subsidiaries: A&S Land Co.; A.C. Realty Inc. Sells to first-timers (60%), move-ups (40%).
334	$30,124	**Michaels Group** P.O. Box 887 Latham, NY 12110	Key Exec: James W. Michaels. Sold 86 SFD houses for $15.4 mil., 135 attached houses for $14 mil. Remodeling: $200,000. Land sales: $300,000. Rents/fees: $100,000. SFD averages 2144 sq.ft; attached 1604 sq. ft. Builds in N.Y.
335	$30,000	**Wayne Homes** 6370 Mt. Pleasant Rd. NW North Canton, OH 44720	Key Exec: David Showers. Sold 510 SFD houses for $30 mil. SFD averages 2000 sq. ft. selling for an average price of $58,800. Builds in Ohio. Sells to first-timers (45%), move-ups (45%), empty nesters (5%) and retirees (5%).
336	$29,584	**Coachmen Industries** 601 E. Beardsley Ave. Elkhart, IN 46514	Key Exec: T.H. Corson. In calendar year 1990, this company manufactured and sold 836 modular units for total revenues of $29.6 mil.
337	$29,560	**Whittaker Construction** 355A Mid Rivers Mall Dr. St. Peters, MO 63376	Key Exec: Greg Whittaker. Sold 272 SFD houses for $26.8 mil., 33 attached houses for $2.8 mil. SFD averages 1900 sq. ft. selling for $98,365; attached 1200 sq. ft. selling for $85,000. Builds in Mo. Sells to first-timers (20%), move-ups (65%), empty-nesters (10%).
338	$28,826	**Frank Robino & Associates** 5189 W. Woodmill Dr., #30 Wilmington, DE 19808	Key Exec: Paul A. Robino. Sold 43 SFD houses for $5.7 mil., 163 attached houses for $14.4 mil.; built 72 apartments valued at $3.6 mil. Non-res: $800,000. Land sales: $3 mil. Rents/fees: $1.2 mil. SFD averages 2100 sq. ft.; attached 1260 sq. ft. Builds in Del. and Pa.
339	$28,660	**Communities Const. Corp.** 1555 Palm Beach Lakes Blvd. West Palm Beach, FL 33401	Key Exec: E. Llwyd Ecclestone III. Sold 49 SFD houses for $12.8 mil., 26 attached houses for $5.2 mil.; built 168 apartments valued at $8 mil. Rental income: $1.1 mil. Management fees: $1.1 mil. SFD averages 2485 sq. ft.; attached 2090 sq. ft. Builds in Fla.
340	$28,575	**Elam G. Stoltzfus Inc.** 474 Mt. Sidney Rd. Lancaster, PA 17602	Key Exec: Elam G. Stolzfus, Jr. Sold 126 SFD houses for $19.2 mil., 42 attached houses for $4.7 mil., 78 apartments for $4.2 mil. Remodeling: $300,000. SFD averages 2100 sq. ft. Builds in Pa. Sells to first-timers (35%), move-ups (50%), empty-nesters (15%).
341	$28,561	**Waterloo Inc.** 7447 Bee Caves Rd., #100 Austin, TX 78746	Key Exec: Michael Grimm. Sold 164 SFD houses for $28.6 mil. SFD averages 2800 sq. ft. Builds in Texas. Subsidiaries: Waterloo Custom Homes; Sunrise Designer Homes. Sells to first-timers (20%), move-ups (50%), empty-nesters (20%) and retirees (10%).
342	$28,322	**California Community Builders** 233 Wilshire Blvd. Santa Monica, CA 90401	Key Exec: W.A. Fruehling. Sold 113 SFD houses for $28.3 mil. SFD averages 2250 sq. ft. and sell for an average price of $247,500. Builds in Calif. Sells to first-timers (10%), move-ups (60%), empty-nesters (20%) and retirees (10%).
343	$28,300	**Village Homes Ltd.** 6 West Dry Creek Rd. Littleton, CO 80127	Key Exec: John E. Osborn. Sold 227 SFD houses for $28 mil. Rents/fees: $300,000. SFD averages 2000 sq. ft. and sells for an average price of $117,500. Builds in Colo. Sells to first-timers (30%), move-ups (55%), empty-nesters (15%).
344	$28,224	**Woodside Homes** 2275 Renaissance Dr., C&D Las Vegas, NV 89119	Key Exec: Ezra Nilson. Sold 207 SFD houses for $21.2 mil. Remodeling: $7 mil. Builds in Nev., Utah and Calif. Subsidiaries: Woodside Homos of Nev. Inc.; Woodside Homes Corp; Atherton Construction Inc.
345	$28,162	**Cayman Development** 18012 Cowan St. Irvine, CA 92714	Key Exec: Raymond Rutter. Sold 17 SFD houses for $12.6 mil., 43 attached houses for $15.5 mil. SFD averages 4250 sq. ft.; attached 2100 sq. ft. Builds in Calif. Subsidiaries: Seacliff Estates Partnership. Sells to move-ups (88%), empty-nesters (12%).
346	$28,000	**Shawntana** 3501 Jamboree, #2000 Newport Beach, CA 92660	Key Exec: James B. Fleig. Sold 36 SFD houses for $11 mil., 79 attached houses for $17 mil. SFD averages 1781 sq. ft.; attached 1417 sq. ft. Builds in Calif. Sells to first-timers (10%), move-ups (50%), empty-nesters (25%) and retirees (15%).
347	$27,920	**John Cooley Co.** 36250 Dequindre, #200 Sterling Heights, MI 48310	Key Exec: Dale N. Scrace. Built 504 apartments valued at $21.4 mil. Non-res: $6.5 mil. Apartments average 600 sq. ft. and rent for an average of $550 a month. Builds in Mich. Is a subsidiary of Dart Properties.
348	$27,800	**Randall Properties** 330 N. Sixth St., #204 Redlands, CA 92374	Key Exec: Steven Rosenberg. Sold 188 SFD houses for $24.8 mil. Non-res: $3 mil. SFD averages 1613 sq. ft. and sells on average for $139,990. Builds only in Calif. Sells to first-timers (60%) and move-ups (20%).
349	$27,700	**Colony Homes** P.O. Box 100 Woodstock, GA 30168	Key Exec: Tom Bradbury & Bonneau Ansley. Sold 348 SFD houses for $27.7 mil. SFD averages 1300 sq. ft. and sells for an average price of $79,600. Builds only in Ga. Sells to first-timers (70%), move-ups (10%), empty-nesters (10%) and retirees (10%).
349	$27,700	**Jacobsen Manufacturing** P.O. Box 368 Safety Harbor, FL 34695	Key Exec: W.R. Jacobsen. In calendar year 1990, this company manufactured and sold 825 mobile homes for revenues of $22.9 mil. Aluminum division: $4.8 mil. Builds in Fla.

ANNUAL REPORT OF HOUSING'S GIANTS®

New Construction, Non-Res, Remodeling In Westway Mix

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
351	$27,620	**MacLeod Development Co.** 2 North Lake Ave., #670 Pasadena, CA 91101	Key Exec: Richard H. MacLeod. Sold 168 SFD houses for $19.7 mil., 26 attached houses for $5.1 mil. Land sales: $2.8 mil. SFD averages 1500 sq [illegible] attached 1800 sq. ft. Builds in Calif., and Nev.
352	$27,480	**Key Co.** 1020 East Wendover Greensboro, NC 27420	Key Exec: John H. Pace, Jr. Sold 256 SFD houses for $26.5 mil., 16 attached houses for $992,000. SFD averages 2000 sq. ft.; attached 1300 sq. ft. Builds in N.C. Sells to first-timers (25%) and move-ups (55%).
353	$27,340	**Bovis Homes** 498 Palm Springs Dr., #320 Altamonte Springs, FL 32701	Key Exec: Arthur Tye. Sold 286 SFD houses for $26 mil. Land sales: $800,000. Rents/fees: $540,000. SFD averages 1550 sq. ft. Builds in Fla. and Ga. Sells to first-timers (60%), move-ups (30%), empty-nesters (5%) and retirees (5%).
354	$27,200	**Christopher Cos.** 8290 Old Courthouse Rd. Vienna, VA 22180	Key Exec: Frederick A. Kober. Sold 63 SFD houses for $17.5 mil., 78 attached houses for $7.5 mil. Land sales: $2 mil. Rents/fees: $200,000. SFD averages 2500 sq. ft.; attached 1500 sq. ft. Builds in Va. and Md. Sells to first-timers (43%) and move-ups (40%).
355	$27,000	**Harold Moore Assoc.** P.O. Box 756 Fayetteville, TN 37334	Key Exec: Harold Moore. In calendar year 1990, this company built and sold 40 attached for-sale houses for $1.5 mil., 850 apartments for $25.5 mil. Builds in Fla., Miss., N.C., Tenn. and Ala
356	$26,400	**Kirk Corp.** 201 Juniper Circle Streamwood, IL 60107-1899	Key Exec: Donald Kirk. Sold 100 SFD houses for $17 mil., 80 attached houses for $9.4 mil. SFD averages 2000 sq. ft.; attached 1750 sq. ft. Builds in Ill. Sells to first-timers (40%), move-ups (35%), empty-nesters (15%) and retirees (10%).
357	$26,100	**Radnor Homes Inc.** 5544 Franklin Rd., #100 Nashville, TN 37220	Key Exec: David C. Mc Gowan, Jr. Sold 131 SFD houses for $18.6 mil., 24 attached houses for $3.4 mil. Non-res: $3.5 mil. Land sales: $250,000. Rents/fees: $50,000. SFD averages 2600 sq. ft.; attached 2000 sq. ft. Builds in Tenn. and Ky.
358	$25,856	**Brehm Communities** 2835 Camino Del Rio S, #220 San Diego, CA 92108	Key Exec: Forrest W. Brehm. Sold 61 SFD houses for $14 mil., 81 attached houses for $11.8 mil. SFD averages 1800 sq. ft.; attached 1500 sq. ft. Builds in Calif. Sells to first-timers (44%) and move-ups (55%).
359	$25,753	**Owen Construction** 2035 S. Myrtle Ave. Monrovia, CA 91016	Key Exec: Rick J. Owen. Sold 12 SFD houses for $23.2 mil. Non-res: $2 mil. Land sales: $550,000. SFD averages 2300 sq. ft. Builds in Calif., Colo. and Ariz. Sells to first-timers (25%) and move-ups (75%).
360	$25,750	**Blitman Building Corp.** 222 Grace Church St. Port Chester, NY 10573	Key Exec: Howard N. Blitman. Sold 80 attached houses for $12 mil. Also built 50 high-rise apartment units for $6 mil. Remodeling: $5 mil. Non-res: $2.5 mil. Builds in N.Y., Fla. and N.J.
361	$25,750	**Miceli Holding Co.** 14897 Clayton Rd., #220 Ballwin, MO 63011	Key Exec: Joseph Miceli. In calendar year 1990, this firm built and sold 65 single-family detached houses for $22.8 mil. Land sales: $3 mil. SFD averages 3200 sq. ft. Builds in Mo. Sells to move-ups (100%).
362	$25,650	**Stafford Homes Inc.** 16016 118 Place Bothell, WA 98011	Key Exec: Brien Stafford. Sold 150 single-family detached houses for $25.7 mil. SFD averages 2200 sq. ft. Builds in Wash. Sells to move-ups (75%) and empty-nesters (25%).
363	$25,500	**Fischer & Frichtel** 7 The Pines Ct. St. Louis, MO 63141	Key Exec: John Fischer. PB&R estimates that in calendar year 1990, this firm built and sold 100 single-family detached houses for $22.5 mil. Remodeling: $1.5 mil. Non-res: $1.5 mil.
364	$25,499	**Don Galloway Homes** 11231 Carmel Commons Blvd. Charlotte, NC 28226	Key Exec: Don A. Galloway. Sold 248 SFD houses for $25.4 mil. Rents/fees: $56,412. SFD averages 1700 sq. ft. Builds in N.C. and S.C. Sells to first-timers (50%), move-ups (40%), empty-nesters (5%) and retirees (5%).
365	$25,296	**William L. Berry Co.** 6701 Democracy Blvd. Bethesda, MD 20817	Key Exec: William L. Berry. Sold 30 SFD houses for $13.3 mil., 63 attached houses for $12 mil. SFD averages 3266 sq. ft.; attached 2288 sq. ft. Builds in Va. and Md.Sells to first-timers (5%), move-ups (70%) and empty-nesters (25%).
366	$25,289	**Dobson Builders** 753 D&E Thimble Shoals Blvd. Newport News, VA 23606	Key Exec: C. Richard Dobson. Sold 182 SFD houses for $25 mil. Non-res: $275,210. SFD averages 2,181 sq. ft. Builds in Va., N.C., S.C. and Del. Sells to first-timers (40%), move-ups (40%), empty-nesters (15%) and retirees (5%).
367	$25,256	**Oberer Development Co.** 4324 Webster St. Dayton, OH 45414	Key Exec: George R. Oberer, Sr. Sold 36 SFD houses for $5.8 mil., 45 attached houses for $5.7 mil., 171 apartments for $7.2 mil. Land sales: $1.1 mil. Rents/fees: $5.1 mil. SFD averages 2197 sq. ft.; attached 1490 sq. ft. Builds in Ohio.
368	$25,137	**Michael T. Rose Assoc.** P.O. Box 40 Laurel, MD 20707	Key Exec: Michael T. Rose. Sold 12 SFD houses for $4.7 mil., 53 attached houses for $12.1 mil. Non-res: $6 mil. Land sales: $1.5 mil. Rents/fees: $850,000. SFD averages 2800 sq. ft.; attached 2200 sq. ft. Builds in Md. Sells to move-ups (60%).
369	$25,080	**Good Value Homes** 1460 93rd Ln. N.E. Blaine, MN 55434-4396	Key Exec: Betty Hardle. Sold 156 SFD houses for $16.5 mil., 80 attached houses for $5.7 mil. Land sales: $2.1 mil. Rents/fees: $367,478. SFD averages 1355 sq. ft.; attached 1052 sq. ft. Builds in Minn. Sells to first-timers (65%) and move-ups (20%).
370	$25,080	**Stokes-Collins** P.O. Box 19417 Jacksonville, FL 32245	Key Exec: J. Daniel Collins. Sold 250 SFD houses for $25 mil. Remodeling: $80,000. SFD averages 1800 sq. ft. Builds in Fla. Sells to first-timers (60%) and move-ups (40%).
371	$25,000	**Friedman Homes** 10807 Laurel Rancho Cucamonga, CA 91730	Key Exec: Paul Friedman. In calendar year 1990, this firm built and sold 124 single-family detached houses for $25 mil. Company builds in Calif., and sells primarily to first-timers.
372	$24,973	**Leeder Enterprises Inc.** 146 Timber Creek Dr. Cordova, TN 38134	Key Exec: Kirk Bailey. In calendar year 1990, this firm built and sold 229 single-family detached houses for $24.9 mil. These homes average 2000 sq. ft. Company builds only in Tenn.
373	$24,769	**Westway Construction Corp.** 250 W. River Dr. Saint Charles, IL 60174	Key Exec: James N. Urhausen. Sold 115 SFD houses for $21.8 mil. Remodeling: $438,616. Non-res: $2 mil. Land sales: $550,000. SFD averages 1900 sq. ft. Sells to move-ups (95%) and empty-nesters (5%).
374	$24,560	**Contempri Homes Inc.** Stauffer Industrial Park Taylor, PA 18504	Key Exec: George West. In calendar year 1990, this company manufactured and sold 683 modular units for total revenues of $24.5 mil.
375	$24,500	**Burkart & Oehlerking** 14 N. 808 Rt. 25 East Dundee, IL 60118-3235	Key Exec: Richard J. Burkart. Sold 150 SFD houses for $22 mil., 20 attached houses for $2.5 mil. SFD averages 2000 sq. ft.; attached 1450 sq. ft. Builds in Ill. Sells to first-timers (70%) and move-ups (30%).

ANNUAL REPORT OF HOUSING'S GIANTS®

Stok, Grancorp Make Their Debut Among The Giants

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
376	$24,393	**Rocky Gorge Communities** 1410 Spring Hill Rd., #425 McLean, VA 22102	Key Exec: Christopher S. Dorment. Sold 16 SFD houses for $12.2 mil., 52 attached houses for $8.4 mil. Land sales: $3.5 mil. Builds in Md., Va. Recent projects include attached and detached communities in Montgomery and Prince Georges Counties, Md.
377	$24,[illegible]00	**Stok Homes Inc.** 1420 Spring Hill, #490 McLean, VA 22102	Key Exec: Edwin Bidigare. Sold 92 SFD houses for $15.6 mil., 81 attached houses for $8.7 mil. SFD averages 1900 sq. ft.; attached 1120 sq. ft. Builds in Md., Va. Sells to first-timers (40%), move-ups (55%), empty-nesters (2%) and retirees (3%).
378	$24,025	**Enterprise Development** 710 West Oakdale Chicago, IL 60657	Key Exec: Ronald B. Shipka. Sold 4 SFD houses for $1.25 mil., 143 attached houses for $17.4 mil. Built 54 apartments for $1.2 mil. Rents/fees: $4.2 mil. SFD averages 3000 sq. ft.; attached 950 sq. ft. Builds in Ill. Sells to first-timers (90%), move-ups (10%).
379	$24,010	**Barden & Robeson Corp.** 26 Copeland Ave. Homer, NY 13077	Key Exec: Thomas Barden. Sold 700 panelized units for $23 mil., 4 SFD houses for $500,000. Built 16 apartments for $600,000. Builds in N.Y., Pa., Conn., Md., Maine, R.I. and Ma. Sells to first-timers (20%), move-ups (40%), empty-nesters (20%) and retirees (20%).
380	$23,919	**BBC Group Inc.** 31731 Northwestern Hwy. Farmington Hills, MI 48334	Key Exec: Stephen J. Taglione. Sold 120 SFD houses for $15.4 mil., 81 attached houses for $8.4 mil. Land sales: $94,000. Builds in Mich. Sells to first-timers (15%), move-ups (45%), empty-nesters (25%), and retirees (15%).
381	$23,446	**Grant Cos.** 1117 Lone Palm Ave. Modesto, CA 95353	Key Exec: Allen Grant. Sold 157 SFD houses for $23.4 mil. Non-res: $4.3 mil. Land sales: $3 mil. Rents/fees: $1.2 mil. Hotel development: $34 mil. SFD averages 1700 sq. ft. Sells to first-timers (15%), move-ups (65%), empty-nesters (15%).
382	$23,413	**Community Construction Inc.** 531 California Ave. Bakersfield, CA 93304	Key Exec: James R. Trigueiro. Sold 122 SFD houses for $17.2 mil. Non-res: $1.6 mil. Land sales: $2.4 mil. Rents/fees: $1.8 mil. SFD averages 1800 sq. ft. Builds in Calif., Nev., and Ariz. Sells to move-ups (84%), empty-nesters (16%).
383	$23,368	**Weston Development** 10960 Wilshire Blvd., #2150 Los Angeles, CA 90024	Key Exec: John A. Ashkar. Sold 46 SFD houses for $13.8 mil., 46 attached houses for $9.6 mil. SFD averages 2100 sq. ft.; attached 1550 sq. ft. Builds in Calif. Sells to first-timers (10%), move-ups (65%), empty-nesters (20%), and retirees (5%).
384	$23,200	**Stuard-Signature Homes** 23701 Birtcher Dr. El Toro, CA 92630	Key Exec: Norman Stuard. PB&R estimates that in calendar year 1990, this firm built and sold 87 single-family detached houses for total revenues of $23.2 mil.
385	$23,171	**Bennett & Compton Inc.** P.O. Box 1597 Lodi, CA 95241-1597	Key Exec: Dennis G. Bennett. Sold 143 SFD houses for $22.8 mil., 2 attached houses for $300,000. Land sales: $23.9 mil. Rents/fees: $1.3 mil. Builds in Calif. Subsidiaries: Bennett & Compton Development, Latrobe Development.
386	$22,981	**Grayson Homes Inc.** 9025 Chevrolet Dr., #K Ellicott City, MD 21043	Key Exec: Floyd F. Grayson Jr. Sold 72 SFD houses for $16.8 mil., 42 attached houses for $6.1 mil. Builds in Md. Sells to first-timers (5%) and move-ups (95%).
387	$22,946	**Kit Manufacturing Co.** P.O. Box 848 Long Beach, CA 90801	Key Exec: Dan Pocapalia. Sold 763 mobile homes for $22.9 mil. SFD averages 1500 sq. ft. Sells to first-timers (15%), move-ups (20%), empty-nesters (25%) and retirees (40%).
388	$22,747	**Grancorp** 8309 North Lake Dr. Dublin, CA 94568	Key Exec: Roy Gillette. Built 480 apartments for $22.2 mil. Construction management: $60[illegible] Apartments average 870 sq. ft. Builds in Calif. Firm subcontracts 100% of its work. It h[illegible] between six and ten employees.
389	$22,726	**Graham Cos.** 6843 Main St. Miami Lakes, FL 33014	Key Exec: W.E. Graham. Sold 81 SFD houses for $12.9 mil., 124 attached houses for $9.8 mil. Non-res: $15.6 mil. Land sales: $1.2 mil. Rents/fees: $19.3 mil. Other: $25.9 mil. SFD averages 1900 sq. ft.; attached 1400 sq. ft. Subsidiary: Miami Lakes Development.
390	$22,720	**Crisp-Lingerfelt Co.** 9440 Phillips Hwy., #1 Jacksonville, FL 32256	Key Exec: Bruce A. Lingerfelt. Sold 181 SFD houses for $21.4 mil. Land sales: $1.3 mil. SFD averages 1900 sq. ft. Builds in Fla. Sells to first-timers (50%), move-ups (30%), empty-nesters (15%) and retirees (5%).
391	$22,473	**Crosland Contractors** 135 Scaley Bark Rd. Charlotte, NC 28209	Key Exec: Richard Maleady. Sold 16 attached houses for $1.7 mil., built 468 apartments for $20 mil. Remodeling: $800,000. Attached product averages [illegible]326 sq. ft. Builds in N.C.
392	$22,431	**Hearndon/Rosewell Cos.** 2010 Old Greenbrier Rd. Chesapeake, VA 23320	Key Execs: William Hearring/Paul Farrell. Sold 92 SFD houses for $9.4 mil., 42 attached houses for $2.8 mil. Land sales: $4.8 mil. Rents/fees: $4.8 mil. Builds in Va., N.C. Subsidiaries: O.G.V. Associates, South Court Associates, and Knell Ridge Associates.
393	$22,407	**Foster Brothers Inc.** 3975 University Dr. Fairfax, VA 22030	Key Exec: Arthur Foster. Sold 16 SFD houses for $2.8 mil., 105 attached houses for $15.6 mil. Rents/fees: $4 mil. SFD averages 2000 sq. ft.; attached 1600 sq. ft. Builds in Va. Sells to first-timers (30%), move-ups (60%) and empty-nesters (10%).
394	$22,400	**Amir Development Co.** 8730 Wilshire Blvd., #300 Beverly Hills, CA 90211	Key Exec: Paul Amir. Built 182 apartments for $20 mil. Remodeling: $2.4 mil. Non-res: $26 mil. Land sales: $25 mil. Rents/fees: $20 mil. Builds in Calif.
395	$22,176	**Matzel & Mumford Organization** 61 Village Ct. Hazlet, NJ 07730	Key Exec: Roger Mumford. Sold 78 SFD houses for $21.4 mil., 5 attached houses for $800,000. SFD averages 2645 sq. ft.; attached 1810 sq. ft. Builds in N.J. Sells to first-timers (12%), move-ups (86%) and empty-nesters (2%).
396	$22,150	**Wellesley Construction** 17875 University Dr. Livonia, MI 48152	Key Exec: John Casey. Sold 64 SFD houses for $8.9 mil., 80 attached houses for $5.6 mil. Remodeling: $3.2 mil. Non-res: $3.5 mil. SFD averages 2600 sq. ft. Builds in Mich., Fla. Sells to first-timers (20%), move-ups (45%), empty-nesters (20%) and retirees (15%).
397	$22,000	**Pacifica Corp.** 200 N. Westlake Blvd. Westlake Village, CA 91362	Key Exec: Mel Wynn. Sold 140 SFD houses for $22 mil. SFD averages 1800 sq. ft. Builds in Calif. Sells to first-timers (10%), move-ups (50%) and retirees (40%).
398	$21,991	**Reynolds Construction** 111 South Marshall St., #201 El Cajon, CA 92020	Key Exec: Mike Reynolds. In calendar year 1990, this company built and sold 88 single-family detached houses for total revenues of $21.9 mil.
399	$21,897	**Burnside Construction Co.** 18400 S. Halsted St. Glenwood, IL 60425-1099	Key Exec: George Arquilla III. Sold 78 SFD houses for $11.4 mil., 39 attached houses for $4.6 mil. Non-res: $5.5 mil. Rents/fees: $200,000. Builds in Ill. Sells to first-timers (60%), move-ups (25%), empty-nesters (10%) and retirees (5%).
400	$21,896	**Acacia Construction Inc.** 1021 W. Bastanchury Rd., #100 Fullerton, CA 92633	Key Exec: Richard G. Snyder. Sold 101 SFD houses for $17.2 mil. Rents/fees: $3.5 mil. Other income: $1.1 mil. SFD averages 1980 sq. ft. Builds in Calif. Sells to first-timers (20%), move-ups (60%), empty-nesters (10%) and retirees (10%).

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PROFESSIONAL BUILDER & REMODELER (ISSN-1053-6353) (GST –123397457) Vol. 56, No. 11 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Frank J. Sibley, Executive Vice President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Financial Senior Vice President/Magazine Division; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377. PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President. Annual subscription rates for non-qualified people: USA, one year $130.95, two years $229.95; Canada/Mexico, one year $179.95, two years $290.95; other countries, one year $195.95, two years $325.95. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to Phil Claiborne, 44 Cook St., Denver, CO 80206. Address editorial and other mail to PROFESSIONAL BUILDER & REMODELER, Cahners Plaza, 1350 E. Touhy Ave., Des Plaines, IL 60018-3358. REPRINTS of articles are available in quantities of 500 or more. For a specific quotation, contact Katie Pyzlak, Manager, Marketing Services, 1350 E. Touhy Ave., Des Plaines, IL 60017-5080; phone, 708/635-8800. PROFESSIONAL BUILDER & REMODELER, PROFESSIONAL BUILDER and ANNUAL REPORT OF HOUSING'S GIANTS are trademarks of Reed Properties Inc., used under license.

Special Report: Housing's Outlook At Mid-Year

First half of 1991 lagged—now, a moderate recovery is expected.

The residential construction industry showed the first convincing sign of recovery in the beginning of the year. Following dismal lows recorded during the war and recession tensions of January, sales of new and existing homes rose steadily in the next three months. Confidence is up, rates are down, and anecdotal evidence suggests that buyers will return to the market in greater numbers as the year continues.

Through the first four months of 1991, total starts averaged 924,000 units—31.6% below the total for the first four months of 1990. The **multifamily market** was hardest hit as apartment/condo starts fell 47.3%. **Single-family home starts** were off 26.2%.

No part of the nation has escaped the recession in home building, but the **Midwest** has fared best. Starts were off a modest 4.7% last year (versus the national average 13.3% downturn) and are down less (-21.1%) than in the other regions through the first third of 1991. Conversely, the **West** faded fast as 1990 closed, and the dismal slide continued (-43.7%) in the early months of this year. The persistently weak **Northeast** region shows only faint signs of stabilizing, while the severe late-1990 slide in the **South** appears to have abated.

The outlook is fuzzy. **Permit trends** remain unfavorable despite the modest pickup in sales volume. New single-family home permits were down 30% in the first quarter of 1991. Multifamily permits plunged 50%. This, combined with our expectation of a recovery from the recession (resulting in weak gains in employment and income), infers that housing's recovery will not be vigorous.

Conditions will improve, but the extraordinarily low level of activity through the first half will preclude any gains in total starts. For 1991, we expect total starts of only 1.067 million. Low inventory levels, pent-up demand and healthy economic growth should pull housing out of its slump in the next several years.

Remodeling's story is a bit different. Contrary to expectations, spending on residential upkeep and improvement work rose sharply in the fourth quarter of 1990. Spending for home improvement and maintenance work to-

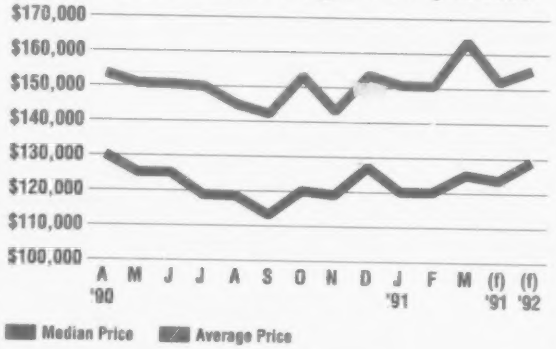
Continued on page 170.

Top 10 Growth States

Construction		Remodeling	
11. Alaska	+135.2%	11. Hawaii	+77.7%
12. Hawaii	116.8%	12. Oregon	61.3%
13. N. Dakota	43.4%	13. Alaska	28.3%
14. Colorado	17.1%	14. Wyoming	28.3%
15. Utah	15.9%	15. S. Dakota	27.0%
16. Montana	[illegible]	16. Colorado	24.3%
17. Louisiana	9.0%	17. Kansas	22.7%
18. Wyoming	8.8%	18. N. Dakota	20.8%
19. Idaho	4.2%	19. Utah	14.7%
10. Oklahoma	2.6%	10. Montana	14.6%

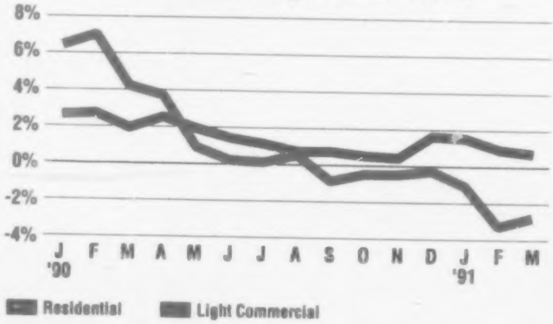
Sources: U.S. Departments of Commerce and Labor.
Data based on 1st quarter '91 building permit values vs. same period '90.

Sales Prices Of New Single-Family Homes

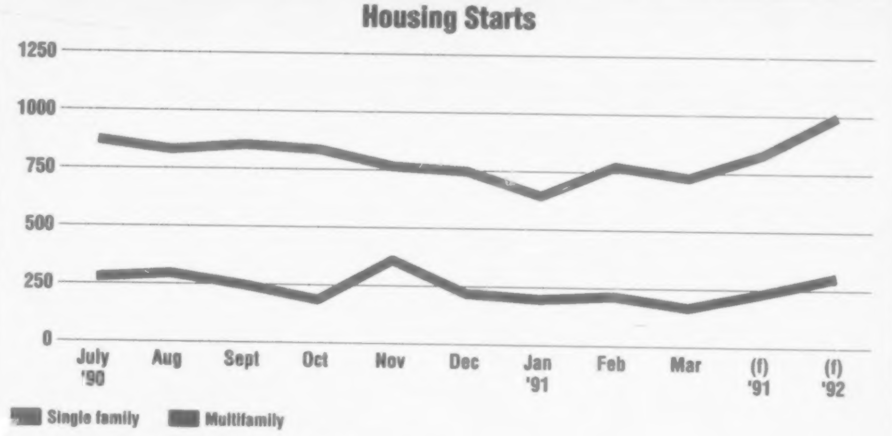


Source: U.S. Dept. of Commerce. Forecast: Cahners Economics.

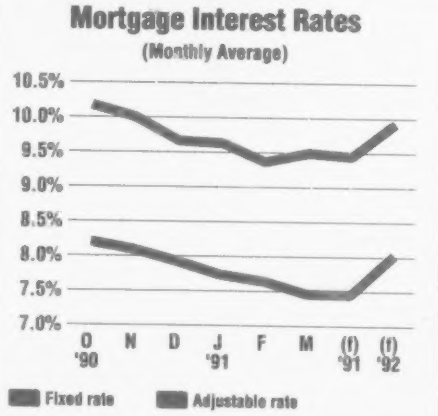
Remodeling Permit Trends: Residential & Light Commercial



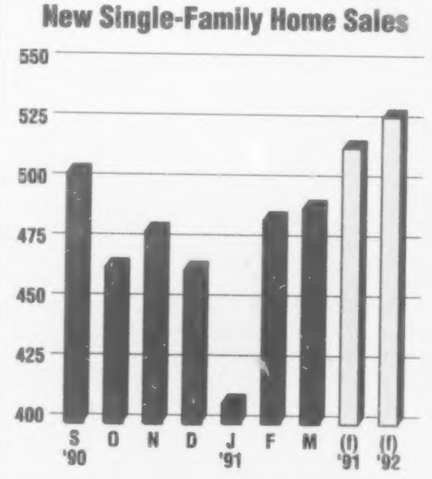
Source: U.S. Department of Commerce.
Data reflect % change in 12-month moving totals.



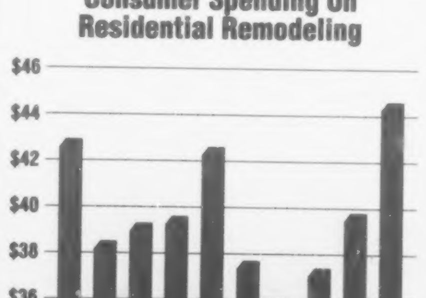
Source: U.S. Department of Commerce. Forecast: Cahners Economics. Data reflect seasonally adjusted annual rate, in thousands.



Source: Federal Home Loan Mortgage Corp. Forecast: Cahners Economics.



Source: U.S. Department of Commerce. Forecast: Cahners Economics. Data reflect seasonally adjusted annualized rate, in thousands.



Source: U.S. Department of Commerce. Forecast: Cahners Economics. Data reflect seasonally adjusted annual rates, in billions of $.

Forecast Of Key Trends

	1991 (f)	1992 (f)
Total housing starts*	1,067,000	1,303,000
New home sales*	515,000	528,000
Remodeling permit trend	+5.5%	+8.1%
Consumer confidence index**	80.3	108.8
Median new home price	$123,500	$129,000
Fixed-rate mortgages	9.45%	9.93%
Construction wage trend	2.7%	3.2%

* Seasonally adjusted annual rate.
** 1985 = 100.

Special Report: Mid-Year Outlook

Continued from page 169.

taled an estimated $109.7 billion. This was an increase of 9% over the third-quarter spending rate—a sharp contrast to other housing indicators.

Both **maintenance and repair spending** and expenditures on big ticket remodeling/replacement work showed good gains over the October-to-December quarter. Maintenance/repair spending rose to an annualized rate of $55.1 billion, 12.2% above the third-quarter rate and an all-time high. On the improvement side, the over-the-quarter gain was 6%, with expenditures totaling an annualized $54.6 billion.

Total **upkeep and improvement spending** reached a record-high $106.7 billion in 1990. Although the weakening economy, faltering consumer confidence and eroding home equity made it more difficult for homeowners to undertake large projects, these factors contributed to a 20.2% surge in "fix-up/spruce-up" categories—the largest annual gain since 1985.

Although spending data is not available for the first months of 1991, permit trends suggest that this segment held up better than most new construction sectors. Still, sales at hardware stores and home-improvement centers weakened in the first three months, suggesting that much smaller gains are ahead. We expect total upkeep and improvement work to attain a 1.4% gain this year.

By Daryl Delano,
Cahners Economics

Professio

Build

& Rem

THE ONE MAGA

AUGUST 1, 1991

BEST-SELLING KITCHENS & BATHS

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A CAHNERS PUBLICATION

Professional Builder & Remodeler

THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER

On The Cover

■ Luxury dominates in the master bath of the Plan 3 at Santa Fe Summit, San Diego, see feature story on page 46. The builder is Pardee Construction. The home was designed by Bassenian/Lagoni Architects. Color Design Art merchandised the interior. Photo: Jeff L. Smith Photography.

Form meets function in today's baths: p. 46.

FEATURES

Kitchens & Baths: Sensible & Sensational 46

Builders are devoting more attention to the practical nature of today's wet rooms. The kitchens and baths featured here illustrate how to instill a sense of function in both affordable and luxury homes.

Building Systems: Four Time-Saving Techniques 56

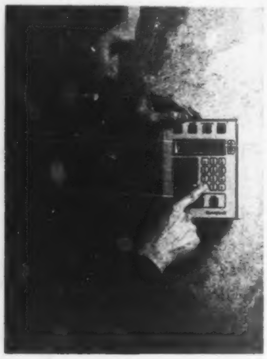
Anticipating major shortages of skilled workers later in the 1990s, home builders are turning to building systems that reduce on-site labor and construction time. Here's the latest in time-saving technology.

The New Southern Home 62

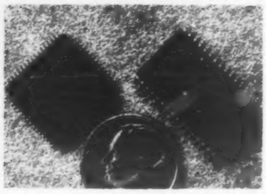
While it evokes an antebellum mansion, it's really a neoclassic Mediterranean villa designed for today's entertainment-oriented buyers.

AUGUST 1, 1991

What's ahead in wetland regulation: p. 12.



New security products: p. 78.



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Business

■ The problem of wetlands regulation has been called the "Mother of All Issues" for home builders. Now that Congress is reexamining the Clean Water Act, a new coalition is trying to promote the industry's view of the issue: *p. 12.* Carpenters union leaders see themselves less as adversaries and more as suppliers to the industry: *p. 16.*

Markets

■ Seniors housing that fosters residential imagery and downplays the "institutional look" has a better chance of gaining government approval: *p. 21.* An exclusive *PB&R* study reveals how builders are managing diversification to maintain workloads: *p. 31.*

Marketing

■ When Minneapolis builders came together to plan their recent parade of homes, they decided to emphasize affordability. The result was the creation of the first "Street of Reality": *p. 39.* Merchandising for budget-conscious times requires realistic designs: *p. 42.*

Technology

■ From a technical standpoint, energy-efficiency has become much easier for builders to attain. But design, consumer education and a little financial incentive are the factors that really make these programs work: *p. 71.*

■ PB&R EXCLUSIVE

New Study Reveals How Builders Manage Diversification

Most pursue diverse activities to sustain profit and maintain work load as markets fluctuate.

These days many builders are finding the best way to maintain a competitive edge in a changing marketplace is to diversify.

That's the consensus of 267 builders interviewed for *Professional Builder & Remodeler* magazine's new study, "Diversification—A Key to Survival, Success and Growth."

Early this year, *PB&R*'s marketing department interviewed company executives, all belonging to NAHB, to determine why builders diversify and the extent to which they do so.

Mark Perlman, Empeco Inc.

Of the 75% who said their businesses are diversified, 55% say they enjoy the challenges of being involved in more than one building activity.

In fact, these builders point to six distinct advantages that diversification offers. Pursuing different building activities keeps firms both financially stable and more profitable when the market fluctuates, they say. In addition, diversification also helps builders be more flexible, more competitive, more fit for growth and development, and better able to retain key employees.

With the outlook for the industry in question, the majority of builders plan to remain diversified and/or pursue additional building activities within the next three years.

For example, Mark Perlman of Empeco Inc., Northbrook, Ill., says his firm is "going to stay the course" and continue with its diversified activities over the next three years. It's been successful for them, he says.

Perlman attributes 75% to 80% of Empeco's 1990 revenues to residential construction, both new and renovation work, and the rest to commercial remodeling. Empeco always has been diversified, Perlman says, because many of the architects it works with are diversified.

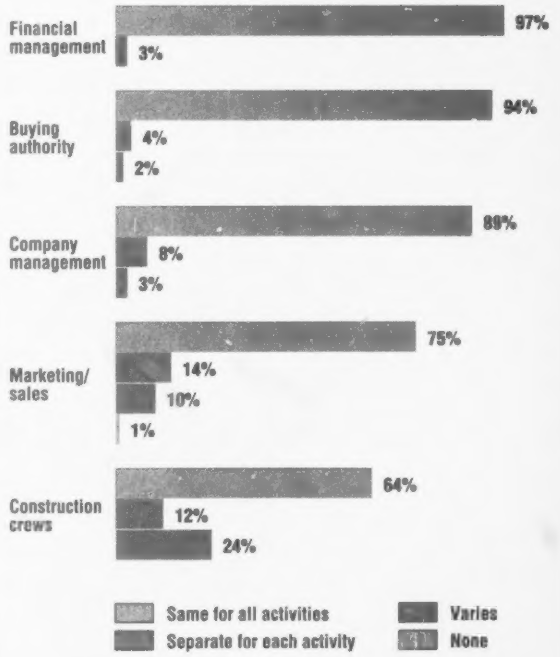
Likewise Jim Strite, Strite Construction, Boise, Idaho, has no decided plans to change his company's activities over the next three years. His firm specializes in remodeling, both residential (90%) and commercial (10%).

Nonetheless, whereas in the past the builder also has constructed custom homes, this year Strite will *not* build any custom homes because it requires so many hours, and "It's difficult to demand the price for the quality of work."

Building single-family homes currently repre-

Continued on page 32.

Staffing Arrangements In Diversified Companies



Activities Providing The Greatest Growth

Rank	Activity	Past 3 Years	Next 3 Years
1	Single family	38%	36.5%
2	Custom/luxury	20%	20.5%
3	Residential remodeling	19%	17%
4	Multifamily	8.5%	10%
5	Non-residential building	8%	8%
6	Non-residential remodeling	2.5%	3.5%

Builders pursue diverse activities to stay competitive and help retain key employees.

Continued from page 31.

sents the most desirable building activity and accounts for the greatest business growth, builders say. That activity is followed by the custom-luxury and residential remodeling markets. Multifamily construction follows in a distant fourth place, with non-res construction in a close fifth. Non-res remodeling finishes in a distant sixth place.

Despite the complexities that arise when a firm diversifies, 89% of diversified builders surveyed say that their management arrangements remain the same for each activity. Only 8% report having separate management staff for each activity.

The study says that over the next three years, single-family construction is expected to taper off slightly. Multifamily construction and non-res remodeling, on the other hand, are expected to increase. The only building activity that respondents say they expect to pursue to a lesser degree is residential remodeling.

The slightly lower expectation for residential remodeling over the next three years likely may be attributed to builders' concern about competing builders entering the business. Another factor contributing to builders' lessened remodeling prospects is optimism that other activities will improve and grow over time, the study says.

Dwight Griffith, Griffith-Brilhart Builders

Jim Strite, Strite Construction

Dwight Griffith of Griffith-Brilhart Builders, Baltimore, Md., however, has no plans to decrease his company's remodeling activity. Rather, he hopes to expand that activity even further in the future. Someday he hopes to have separate divisions to specialize in retrofitting services for the handicapped and senior citizens.

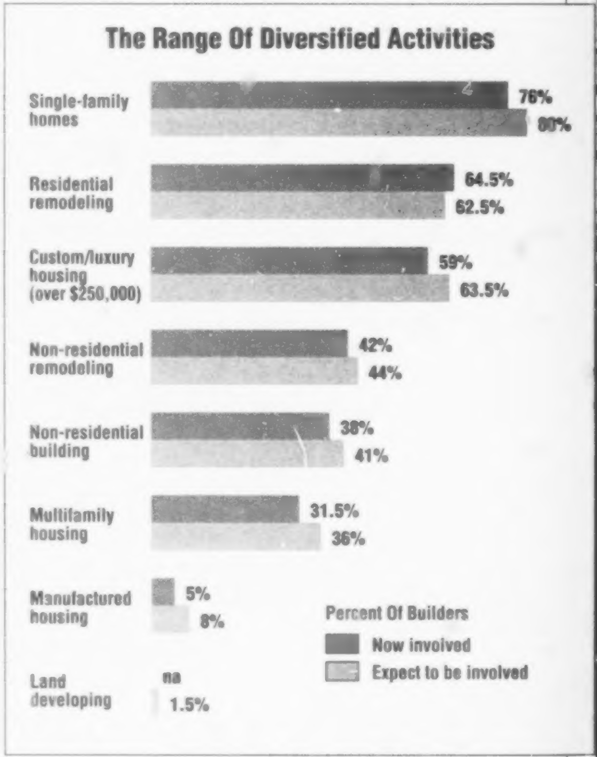
Whereas in 1990 Griffith-Brilhart's largest single activity was new home construction, this year it is remodeling. But he concedes that the size of jobs is decreasing.

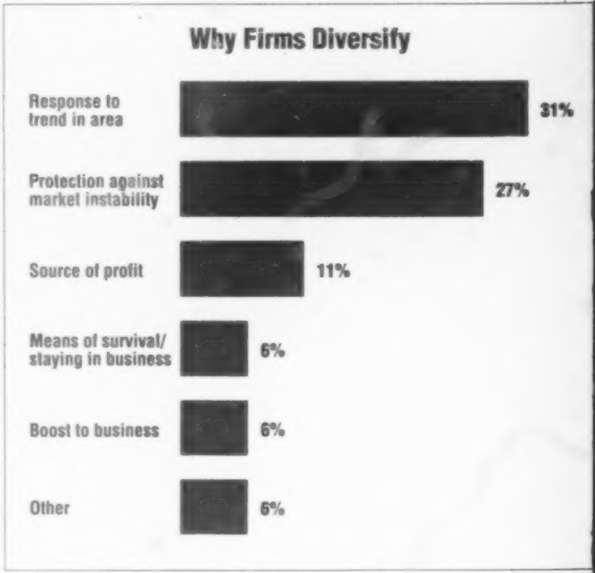
Last year, room additions were in the $100,000 and $200,000 range. "Right now a $40,000 job is big," Griffith says.

Smaller maintenance and repair jobs are very plentiful, and Griffith says home owners who would normally spend "big bucks" on room additions "are sitting on their money" because of economic uncertainties.

Griffith expects a change toward the end of this year, but he doesn't expect it to change his firm's pocketbook until next year.

By Andrea LaFreniere, Associate Editor





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PROFESSIONAL BUILDER & REMODELER (ISSN-1053-6353) (GST #123397457) Vol. 56, No. 12 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Frank J. Sibley, Executive Vice President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Senior Vice President/Finance; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. **Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377.** PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Senior Vice President. Annual subscription rates for non-qualified people: USA, $139.95; Canada, $192.55; Mexico, $179.95; other countries, $195.95 for surface mail and $295.95 for air mail. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to PROFESSIONAL BUILDER & REMODELER, 44 Cook St., Denver, CO 80206. PROFESSIONAL BUILDER & REMODELER, PROFESSIONAL BUILDER and ANNUAL REPORT OF HOUSING'S GIANTS are trademarks of Reed Properties Inc., used under license.

INDICATORS

Slow, Painful Recovery Continues For Housing

The market trend is in the right direction, but the pace of the rebound is disappointing.

Total housing starts for May were at a seasonally adjusted annualized rate of 982,000 units—the sixth consecutive month that starts have been below the million-unit level.

The environment for new residential construction has improved significantly since January. However, the current run of six straight submillion months would have been unthinkable a year ago.

Single-family starts rose to an annualized level of 832,000 during May, more than 28% higher than the January low. That figure is still more than 7% below the none-too-great level of May 1990. However, multifamily starts continued to set record lows. At 150,000 units, the May 1991 annualized rate of multiunit starts was more than 50% below the year-ago level.

Encouraging signals for the housing industry are contained in the building permit data, however. The seasonally adjusted annualized rate of new permits issued took an upturn for both the single-family and multifamily sectors during May.

All regions participated in this permit gain. Assuming that credit conditions and market demand continue to improve sufficiently so that most of these permits are turned into starts in the not-too-distant future, we should see start totals finally surpassing the 1 million unit (annualized) mark in the immediate future. □

Remodeling Permits Slow; Far Outpace New Construction

Following last year's increase of only 1.3% in the value of permits issued for residential remodeling, this market weakened further during the first third of 1991. Through April, remodeling permit values were down 4.9% from the same period in 1990. Although disappointing, remodeling's decline has been far less severe than the 22.1% drop recorded for single-family construction or the 51.5% plummet in the value of permits for new multifamily building construction.

Regionally, remodeling values are up in only two of the nine Census divisions—the Rocky Mountain states (+10.7%) and the Plains states (+1.9%). All regions showed some improvement during April and by year's end most regions will report gains. □

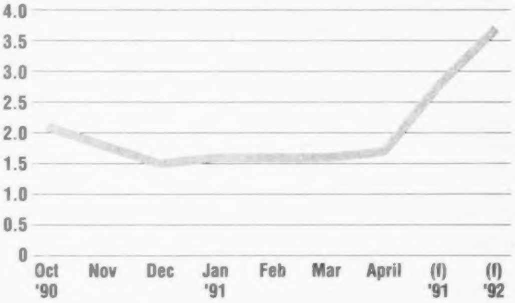
Regional Market Conditions

(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
New Haven	-3.1%	$92,400	-9.1%	-3.1%
Trenton	-45.8%	$102,774	+31.7%	-2.0%
Jacksonville	-1.6%	$80,106	+50.1%	+0.7%
Jackson, Miss.	-0.8%	$69,783	-33.5%	+0.3%
Oklahoma City	+29.9%	$91,472	+24.9%	-0.2%
Cleveland	-21.2%	$133,945	-5.8%	+0.0%
Wichita	-7.9%	$69,621	+34.5%	+2.2%
Reno	-34.2%	$116,609	+2.1%	+2.2%
Oakland	-42.4%	$131,880	-13.3%	+1.6%

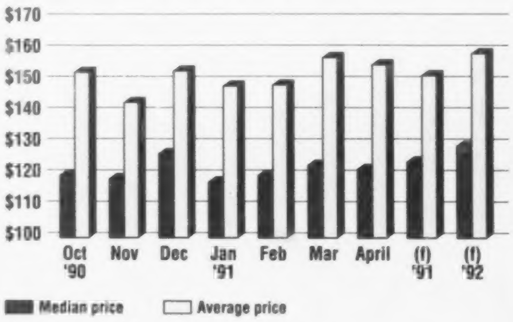
Sources: U.S. Departments of Commerce and Labor.

Trends In Construction Labor Costs



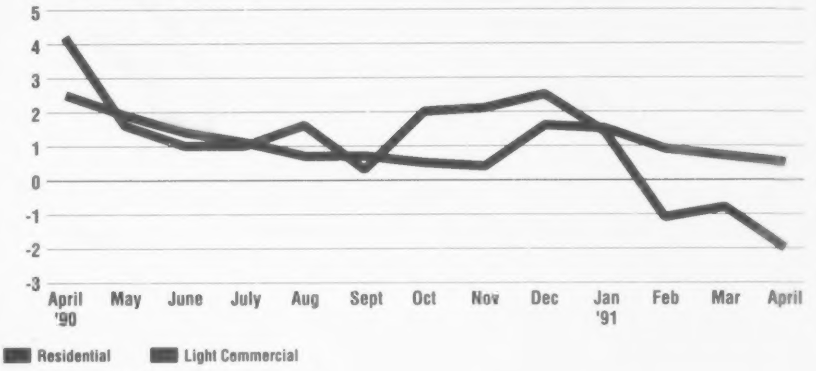
Data reflect over-the-year % change in average hourly earnings.
Source: U.S. Department of Labor. Forecast: Cahners Economics.

Sales Price Of New Single-Family Homes



Data in thousands of dollars.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

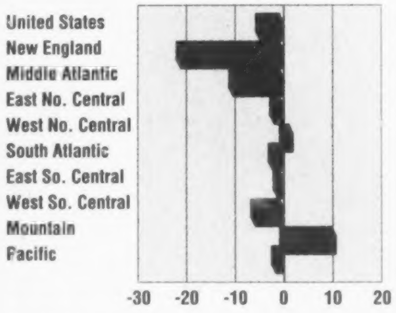
Remodeling Permit Trends — Residential & Light Commercial



Data reflect % change in 12-month moving totals.
Source: U.S. Department of Commerce.

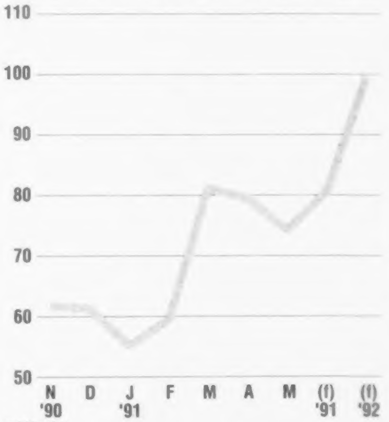
Remodeling Permit Values

(Year-To-Date 1991 vs. 1990)



Source: U.S. Department of Commerce.

Consumer Confidence Index



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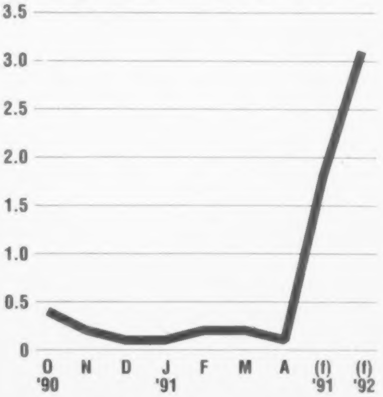
Source: The Conference Board. Forecast: Cahners Economics.

Construction Materials Prices



Data reflect over-the-year % change in Producer Price Index.
Source: U.S. Department of Labor.

Key Trends At A Glance

	April '91	Aug '90
Total housing starts*	957,000	1,131,000
New home sales*	500,000	525,000
Remodeling permit trend	+0.5%	+0.7%
Consumer confidence index**	79.4	84.7
Median new home price	$122,000	$118,400
Fixed-rate mortgages	9.49%	10.10%
Construction wage trend	+1.7%	+2.3%

* Seasonally adjusted annual rate.
** 1985 = 100.

Ratio Of New Housing To Existing Households Falls

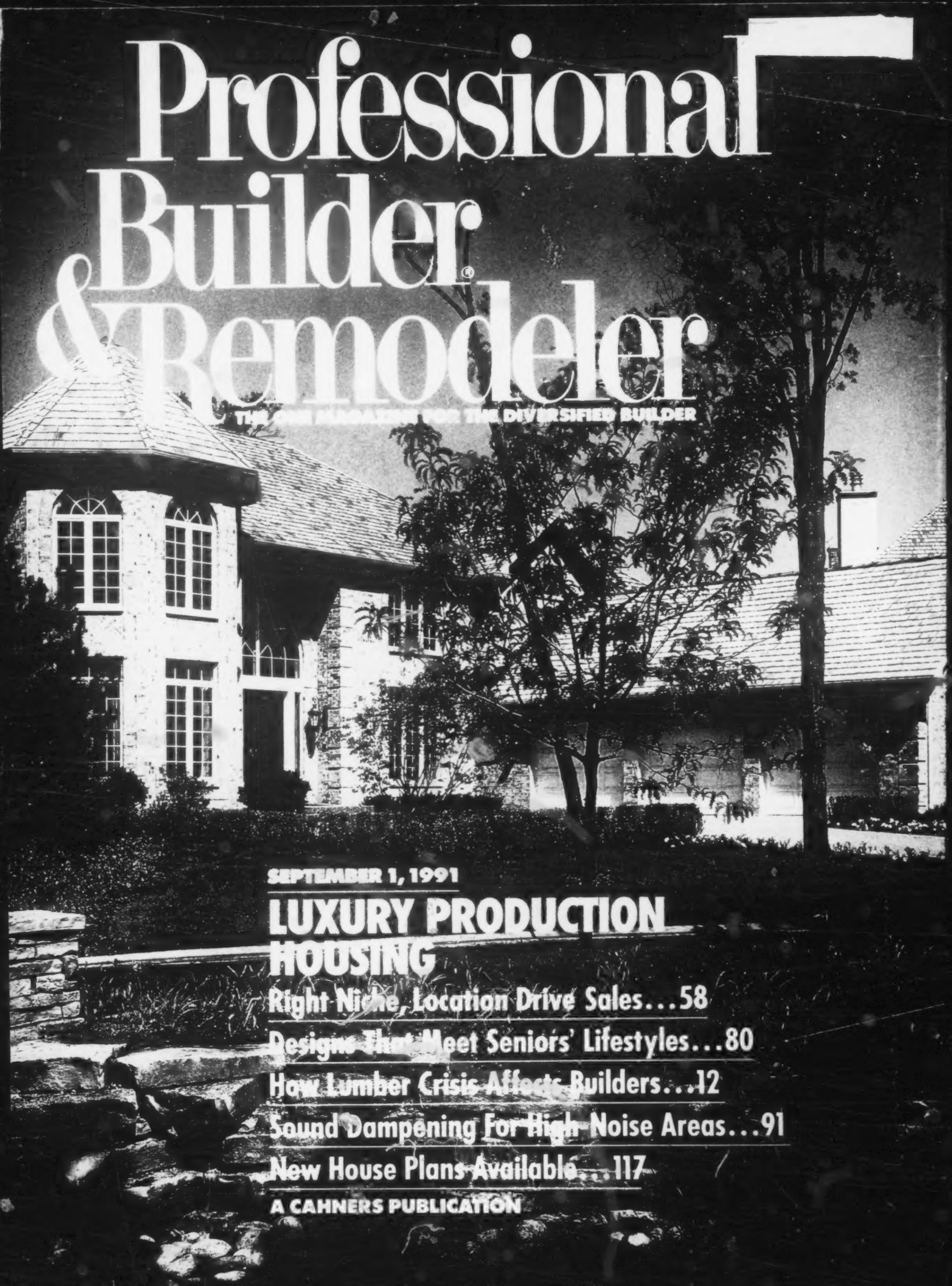
The first three months of 1991 saw an encouraging upturn in household formations, increasing an estimated 1,268,000 over the first quarter of last year. The total number of households nationwide had increased by only 735,000 between 1989 and 1990—roughly half the rate of the past several years.

Chicago Title and Trust Co. has a ratio that relates the number of new residences built during a year to the number of households. During 1990, the ratio dropped to 1.28 new units per 100 households—the fourth consecutive year of decline.

Chicago Title noted that last year's ratio was the lowest recorded since the 1982 recession. The average annual ratio over the past 20 years has been 2.05 new units per 100 households, with a high of 2.64 reached during 1977.

Although all 13 Florida cities studied by Chicago Title recorded ratio declines between 1989 and 1990, all were well above the U.S. average. Six of the top 10 areas were in Florida (led by Naples' ratio of 10.15). Two were in California, with Las Vegas and Seattle rounding out the top 10. However, even these two areas recorded declines over the year. Among the few areas with above-national-average ratios, which also recorded increases between 1989 and 1990, were Bakersfield, Charleston and Dallas. □

By Daryl Delano,
Cahners Economics



Professional Builder & Remodeler

THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER

SEPTEMBER 1, 1991

LUXURY PRODUCTION HOUSING

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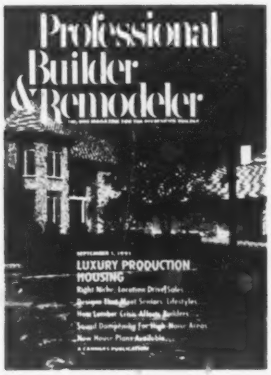
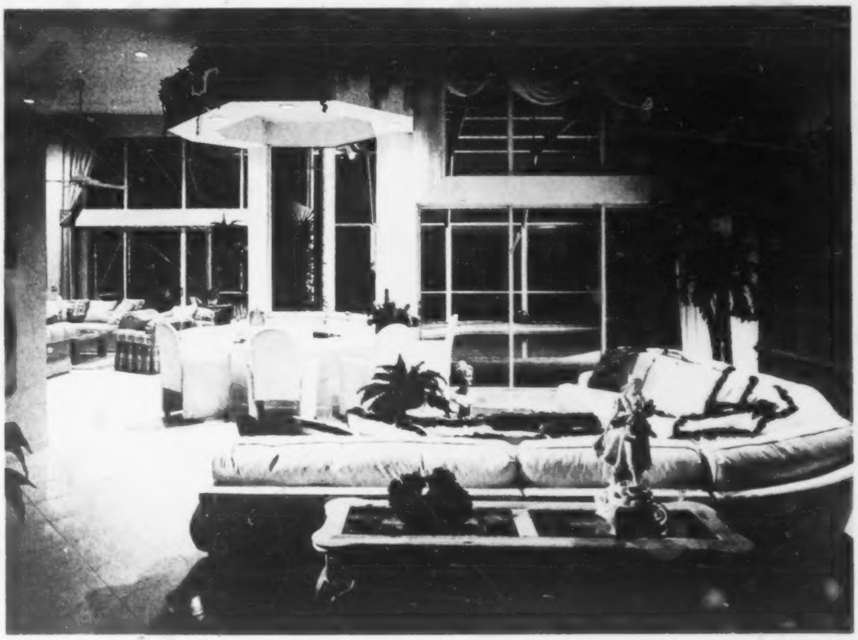


On The Cover

■ Red Seal Development's Hybernia is a community of 122 luxury production homes in Highland Park, Ill. All were designed by Chicago architect Sam Footlik's FW & Associates. Interiors were merchandised by Chicago designers Fernandez and George. Photography by Marc Berlow. Story on page 76.



Latest trends in production luxury homes: p. 58.

FEATURES

Luxury Production Housing 58

Despite the economic slowdown, opportunities exist to build production housing that tickles the fancy of discretionary buyers. In this story, we show seven examples of how the right product sells despite premium pricing.

Graying Of America: How To Sell To Seniors 80

Selling to seniors means selling lifestyle. They value independence, know quality, and prefer neighborhoods where other age groups live. In this story, we show successful examples of shared housing, affordable duplexes, and resort-like mid-rises targeted to the silver market.

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Designing homes for older Americans: p. 80.

Innovative marketing: p. 31.

New products: p. 102.

Business

■ Environmental challenges related to the protection of the northern spotted owl touched off a lumber buying frenzy in June, and there are a lot more problems in the pipeline. Here are some ideas on how builders can prepare for an even bumpier 1992: *p. 12.*

Markets

■ A successful "gut rehab" of a former warehouse merged design flair with a good location in Seattle's historic district: *p. 17.* The New Homes For Chicago program is targeting older communities for the construction of moderately priced housing: *p. 20.* Quality construction, thoughtful planning and a waterfront location are selling condos on the Jersey shore: *p. 28.*

Marketing

■ A restored 27-room "castle" has become a big drawing card for Davidson Communities' homes at Mt. Woodson: *p. 31.* Buyers remember homes where creativity abounds. Here are decorative ideas that sell: *p. 44.*

Technology

■ The convenience of an in-town location often has a heavy price—noise. Sound dampening techniques help builders sell peace and quiet: *p. 91.* Home management systems offer a marketing boost: *p. 94.*

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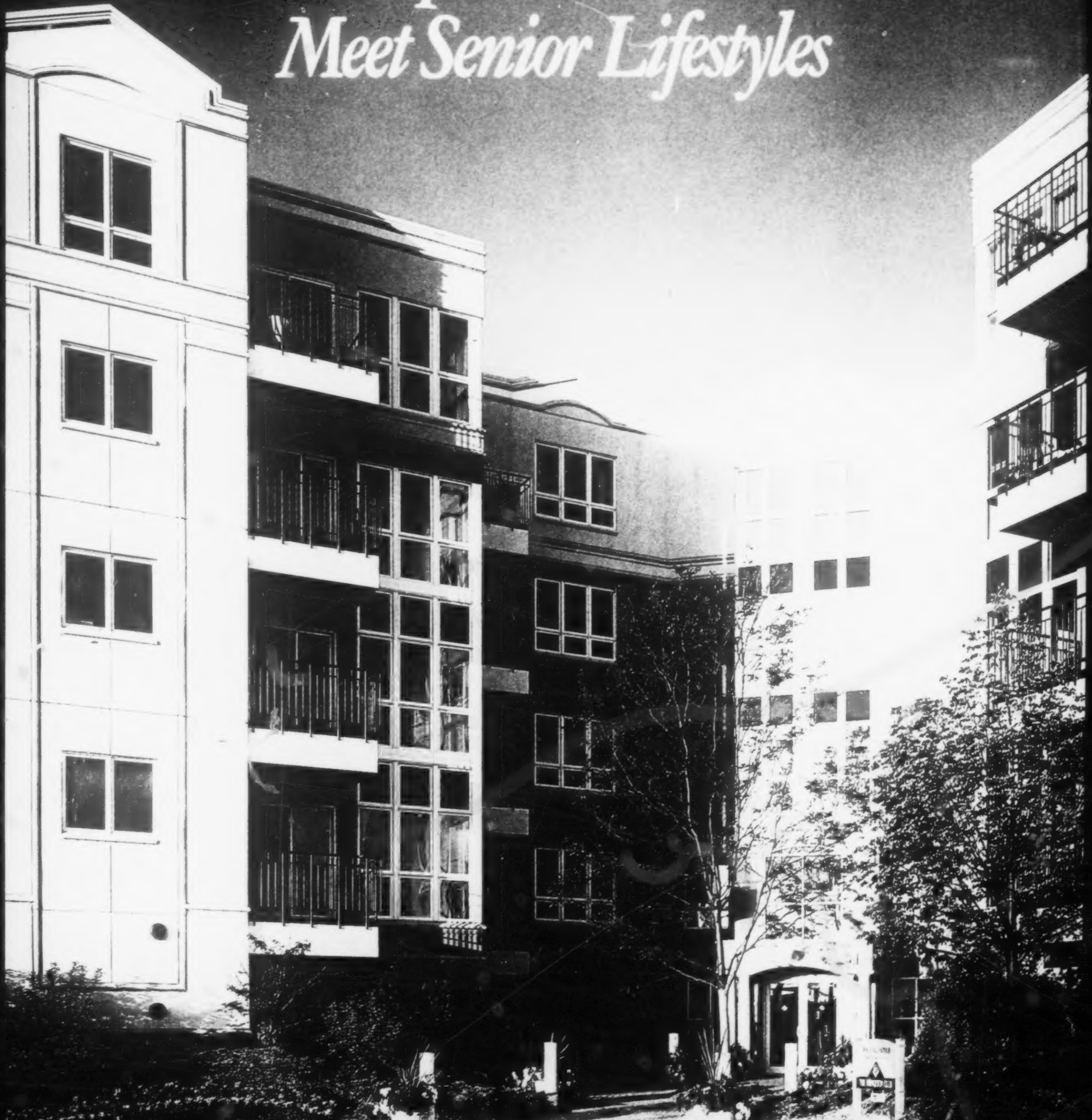
Graying Of America

Freedom Of Choice

Options That Meet Senior Lifestyles



Photos: William Kildow Photography

Photo: Beth Singer-Courtesy of American Plywood Association

The opportunity for builders to serve the silver market is broad. The midrise Princeton Club, Glenview, Ill., left, is targeted for sale to empty nesters. In Traverse City, Mich., shared rental housing, above, is targeted to low- and moderate-income seniors.

Selling to seniors means selling lifestyle.

The 55-plus market needs wooing; 86% of seniors surveyed by the American Association of Retired Persons don't want to move at all. The survey revealed 76% currently live in their own single-family detached house—and that is where they'd like to stay.

However, large single-family homes don't truly fit the senior lifestyle. Houses may become too difficult to maintain and too large. Moreover, seniors don't want stairs, says Roger Gore, Robbins Homes Inc., Short Hills, N.J. Builders can build to fit the needs of people in this discretionary market, but it may take something special to "pry buyers loose from their single-family homes," as William Maybrook says. Maybrook is executive vice president of sales and marketing for Lexington Homes, Arlington Heights, Ill.

Opportunities exist for savvy builders. Approximately 35% of senior households have an annual income of $25,000 or more, says Joanne Carroll, vice president of Zane Yost & Associates Inc., a Bridgeport, Conn., architectural firm. The potential is there for the carefully conceived and well-designed market-rate community. However, according to Carroll, there is even more need for projects that meet the needs of the 65% of the senior marketplace with low incomes.

The 55-plus age group often has better health than their ancestors, and they are living longer. According to recent census data, the 85-plus group is the fastest growing. In Traverse City, Mich., Northwest Senior Resources Inc. is getting applications for shared housing at a rate of three a day; NSR has been surprised at the high number of applicants who are 80-plus. Seniors value independence, according to AARP, and they know quality. Most want to live in neighborhoods where other age groups live. Surprisingly, few seniors plan for their future (see charts throughout this feature). On this and the following pages are successful examples of senior housing opportunities.

Resort Atmosphere Lures Empty Nesters

Arlington Heights, Ill.-based Lexington Homes is selling lifestyle to empty nesters at Princeton Club in Glenview, Ill.

Buyers are making what they hope is their last move, says William Maybrook, executive vice president of sales and marketing. They want luxury, security and freedom from maintenance.

Though Lexington has a successful track record selling to empty nesters, they took a calculated risk at Princeton Club. The midrise buildings have a nearly tropical look—unusual in the Midwest. "We felt that the exterior of the building had to be distinctive—to pry buyers loose from their single-family homes," Maybrook said.

Because 35% of past Lexington buyers winter in warmer climates, Alan Lieberman, group account manager, Keroff & Rosenberg, Chicago, designed ads and brochures to show prospects that "the resort living they love so much is available all year around."

Braun Skiba, Division of McClier Architects, Chicago, designed the 52-unit, midrise, elevator buildings.

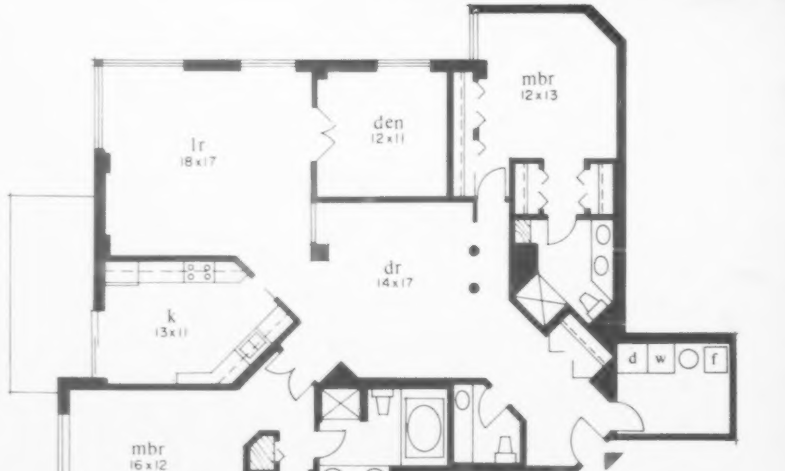
Targeted buyers (aged 58 to 60) feel security is higher in an elevator building. When someone rings the bell from the lobby, residents can turn to a channel on their television to see their caller.

Interiors are by Sublette Interiors, Chicago. Plans range from 1467 to 2052 square feet in size and from $202,490 to $272,900 in price.

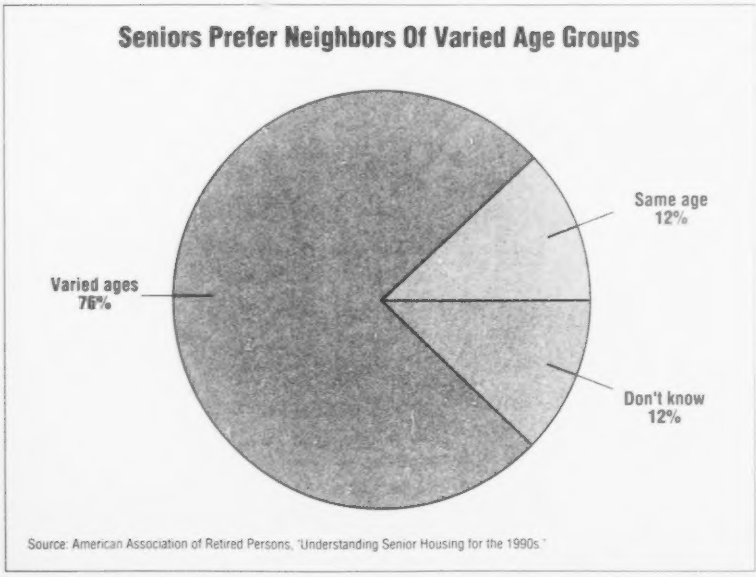
At build-out, projected at four to five years, there will be 260 units in five buildings on the 18-acre site. Hard costs run $97 a square foot. Including the 1.5-acre lake, 83% of the site will remain open space.

Amenities include walking trails and a 1500-square-foot pool with a large deck. Lexington builds generous decks because they know more people socialize around the pool than actually use it.

Between the April 27 opening and July 10, there were 15 sales. Affluent empty nesters need to see what they are buying; Maybrook doesn't recommend presales. □



The Easton model at the Princeton Club with its double master suites is one of seven models and eight plans. Every plan features an eat-in kitchen and a dining room large enough for holiday entertaining.



Seniors Prefer Neighbors Of Varied Age Groups

Source: American Association of Retired Persons, "Understanding Senior Housing for the 1990s."

Duplexes Allow Seniors To Achieve The American Dream

Affordable infill housing, especially for seniors, often is a complex challenge.

Builder Roger Gore, Robbins Homes Inc., Short Hills, N.J., is building very affordable housing for seniors by working with Union Township in a public/private partnership. Gore's Newtowne Village in Union Township, N.J., consists of 31 duplex homes and one single-family detached house selling for $35,000 to $69,000 (based on the buyer's low-to-moderate income).

"Common sense tells you that seniors prefer living accommodations on one level," Gore says. "Therefore, why build them housing on two levels? When preferences are for attached garages, why provide large community parking spaces without green areas? When choice dictates duplex living, why construct large apartment buildings? These are only a few examples of building to satisfy lifestyle."

Key to Gore's satisfied senior customers is architect Tom Barton's design for the community. Barton, at the time with Martin Organization, Philadelphia, used one basic 940-square-foot plan. A long view runs from the front door through the house to a patio out the back. The house, with a deep front porch, is 15 feet from the street. The atmosphere is of an old neighborhood where people sit on the porch and chat. Garages are less prominent with a 23-foot setback.

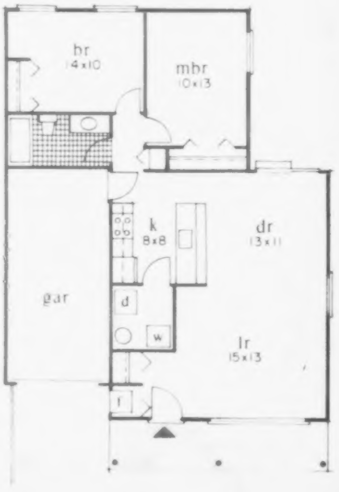
Though not outfitted for use by the disabled, units are designed with a universal floor plan. The framing will accept accessible features. For example, there is 5 feet between opposing counters in the galley kitchen.

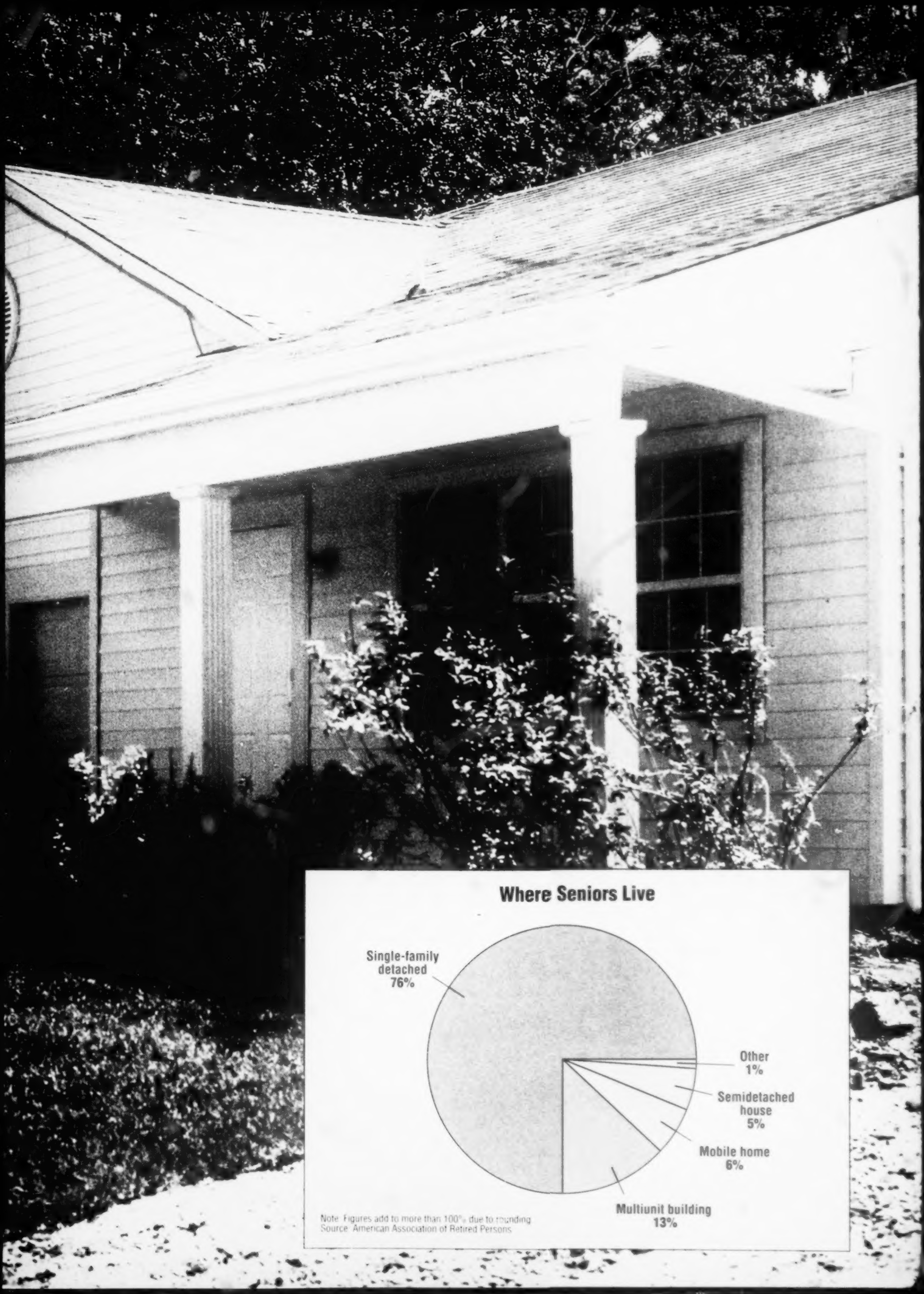
Visitors move from the public street to the semipublic porch through the house to the private back patios. Four units, with windows staggered for privacy, form courtyard clusters. Grouping the patios makes a natural safe haven and social space for residents.

Gore used panelized construction for simplicity, speed and protection from job-site theft. Barton designed ganged windows that are less expensive to build into a structure than individual windows. Gore's building cost for the turnkey project was $85 a square foot. All units were presold before Newtowne Village's grand opening on June 12.

So successful has this project been that Gore has formed a partnership called Affordable Housing Developers Inc. with Leonard I. Solondz of Woodstone Builders Inc., Union. They will specialize in building affordable seniors housing. ☐

One-car garages separate duplexes at Newtowne Village. Deep front porches give seniors a sheltered spot to watch the neighborhood.
Photos: Larry McDermott





Where Seniors Live

Note: Figures add to more than 100% due to rounding
Source: American Association of Retired Persons

Shared Housing Helps Seniors Maintain Independence

Shared housing is an answer both for seniors who cannot live alone and for small-to-medium-sized builders who want to serve this growing market.

Gail Rudolph, R&G Contracting Inc., Traverse City, Mich., won the bid to build three prototype scattered-site shared-housing units for seniors.

Owner, property manager and sponsor is the non-profit agency, Northwest Senior Resources Inc. The agency is one of four partners in the public/private partnership that developed and funded the program; other partners are NBD bank, Rotary Charities and MSHDA (a state housing authority).

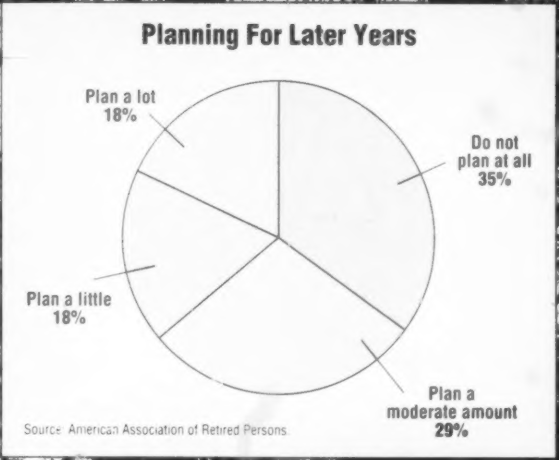
Peter L. Haddix Architects designed the 1800-square-foot houses. One house is in an urban area of Traverse City, another in a suburban area and the third in a fairly rural location. Getting community approval was a matter of explaining that shared housing really isn't classified as multifamily, says Haddix. In Michigan, as many as five unrelated adults can share housing and still be termed a household in a single-family neighborhood.

The houses have four bedrooms, each with its own bathroom. There are four separate pantries for food, and four storage closets in the garage. Shared space includes both formal and informal dining rooms, parlor, living room and porch.

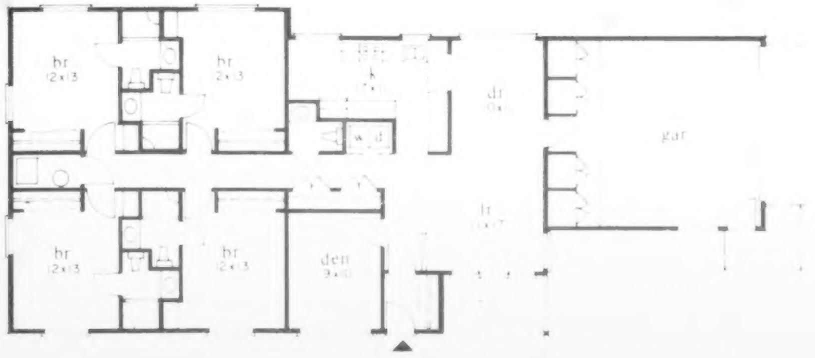
Construction cost for each house, without land, ranges from $90,000 to $95,000. Haddix says it might have been less costly for the public/private partnership to build apartments. However, the houses blend seamlessly into the three neighborhoods. And, shared housing meets both social and physical needs. Seniors don't have to disrupt their living patterns and can stay in a neighborhood setting, Haddix says.

Monthly rent for each resident including utilities will be about $350. NSR provides a washer and dryer, common-area furnishings, appliances and cookware, and twice yearly cleaning. NSR has a waiting list of seniors who wish to move in. The houses were completed as *PB&R* went to press.

NSR also provides renters with a program manager and support services. Services may include shopping and transportation as needed, which is paid for by the tenants. □



Source: American Association of Retired Persons.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From the curb, nothing differentiates this ranch house in Traverse City, Mich., from others in the neighborhood. However, four seniors share living space here.

Photos: Beth Singer; used courtesy of American Plywood Association

AD INDEX

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PROFESSIONAL BUILDER & REMODELER (ISSN-1053-6353) (GST #123397457) Vol. 56, No. 14 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 0215[illegible] 1630. Terrence M. McDermott, President; Frank J. Sibley, Executive Vice President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Senior Vice President/Finance; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. **Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377.** PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Senior Vice President. Annual subscription rates for non-qualified people: USA, $139.95; Canada, $192.55, Mexico, $179.95; other countries, $195.95 for surface mail and $295.95 for air mail. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to PROFESSIONAL BUILDER & REMODELER, 44 Cook St., Denver, CO 80206. PROFESSIONAL BUILDER & REMODELER, PROFESSIONAL BUILDER and ANNUAL REPORT OF HOUSING'S GIANTS are trademarks of Reed Properties Inc., used under license.

INDICATORS

Housing Affordability Problem Documented

Census data shows that nine of ten renters can't afford home ownership.

A recently released research report from the Census Bureau shows that in 1988, 57% of all families could not afford to buy the median-priced home in the region where they lived. Using standard underwriting criteria for a conventional, fixed-rate mortgage, the research found that 36% of current owners and 91% of current renters could not afford the median-priced house.

Among the four Census regions, the West had the highest percentage of families, 63%, who could not afford to purchase the region's median-priced house during 1988 followed by 59% in the Northeast and 56% in the South.

Even in the Midwest, the region widely recognized as the most affordable in the nation, a majority (51%) of families could not afford the median-priced house.

According to the government's Survey of Income and Program Participation, the major factors that prevented families from being able to afford a home included: lack of downpayment, a current level of indebtedness which is too high, and the inability to afford basic monthly payments.

The severe limiting impact of the downpayment requirement for entry-level buyers was obvious when interest-rate assumptions were changed in the research. Mortgage interest rates assumed to be 2 percentage points lower than 1988's prevailing rate would have increased the number of owners who would be able to qualify, but would have had no significant effect on renters. □

Annual 'Top Markets' Report Now Available

Cahners Economics has just released its annual predictions of the top construction markets for 1992. Reviewing building permits, employment, income, population and other economic data for major markets around the country, Cahners' building and construction economists have identified the 50 markets likely to be the largest in dollar volume of construction activity next year.

The "Top U.S. Construction Markets for 1992" report is available for $75 from Cahners Economics. The report can be ordered by contacting Wendy Chambers, Phone: 1-800-445-0678; FAX: 1-617-630-2100. □

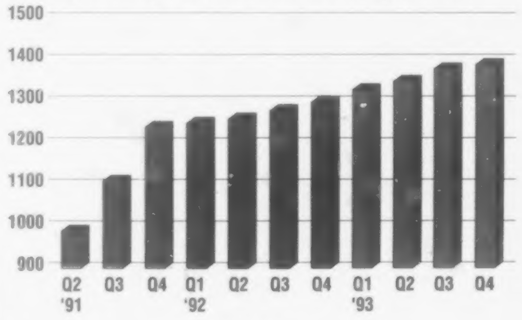
Regional Market Conditions

(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Boston	-12.6%	$114,685	-13.7%	-4.9%
Philadelphia	[illegible]	$85,489	-12.1%	-0.4%
Atlanta	-5.5%	$79,887	-1.1%	-0.7%
Memphis	-14.2%	$82,222	-0.9%	+1.0%
Dallas	+7.9%	$111,238	-1.0%	+0.7%
Cincinnati	-13.5%	$97,998	+7.2%	+1.6%
Minneapolis	-0.8%	$104,906	-5.2%	-0.4%
Denver	+56.9%	$125,536	+21.3%	+2.4%
Los Angeles	-30.7%	$180,136	-2.2%	-0.6%

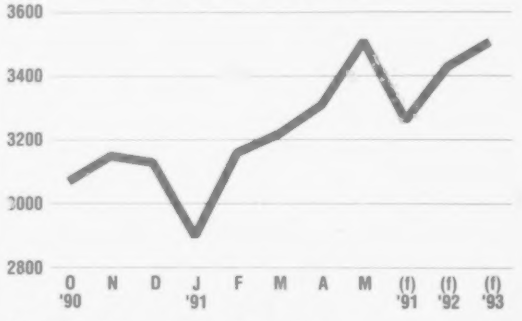
Sources: U.S. Departments of Commerce and Labor

Quarterly Forecast Of Housing Starts



Data reflect quarterly averages, in thousands of units.
Forecast: Cahners Economics.

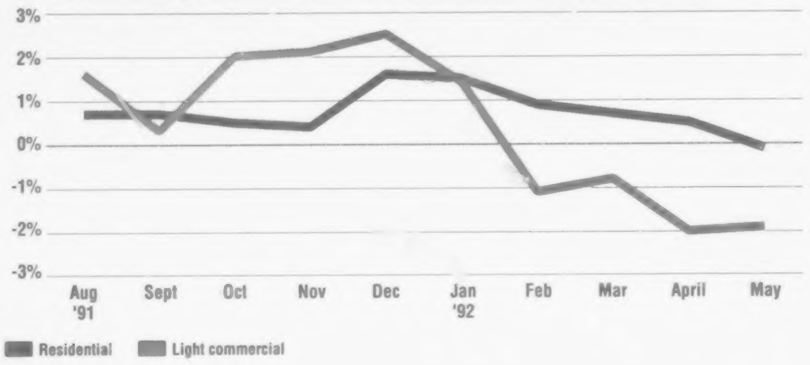
Existing Single-Family Home Sales



Data reflect seasonally adjusted annual rate, in thousands.
Source: National Association of Realtors. Forecast: Cahners Economics.

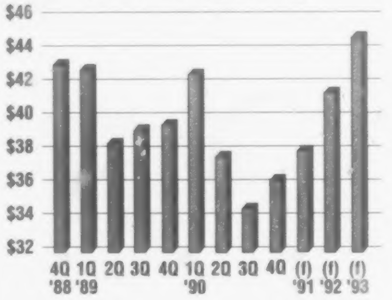
INDICATORS

Remodeling Permit Trends — Residential & Light Commercial



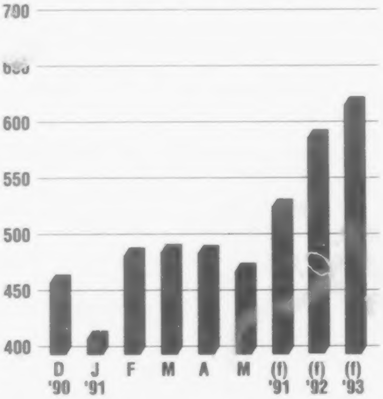
Data reflect % change in 12-month moving totals.
Source: U.S. Department of Commerce.

Residential Addition & Alteration Spending



Data reflect seasonally adjusted annual rate, in billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics

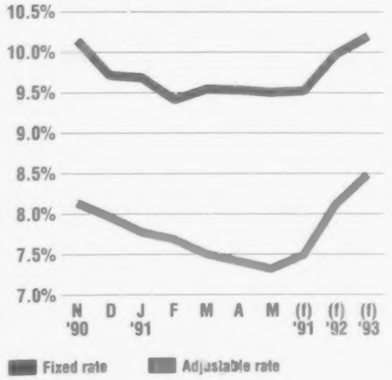
New Single-Family Home Sales



Data reflect seasonally adjusted annualized rates, in thousands.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Mortgage Interest Rates

(Monthly Average)



Source: Federal Home Loan Mortgage Corp.
Forecast: Cahners Economics.

Key Trends At A Glance

	May '91	Sept '90
Total housing starts*	982,000	1,106,000
New home sales*	474,000	504,000
Remodeling permit trend	-3.8%	+2.2%
Consumer confidence index**	76.4	85.6
Median new home price	$121,900	$113,000
Fixed-rate mortgages	9.46%	10.18%
Construction wage trend	+1.5%	+2.2%

* Seasonally adjusted annual rate.
** 1985 = 100.

Rental Vacancy Rate Varies Among States

The national rental vacancy rate stood at 7.2% during 1990, within the narrow range that has prevailed since 1986. The overbuilding of apartment and condominium space that occurred in the early '80s has yet to be absorbed, despite the dramatic decline in new construction.

In some parts of the nation, however, population and employment growth has continued strong enough to support new construction.

In these areas, vacancy rates have remained in check, and in some cases have fallen, as new space has been quickly absorbed. States with vacancy rates of 8% or higher last year were concentrated in the South and West. The Midwest had the largest concentration of states with rental vacancy rates at or below the national average.

Only states in the Northeast had significantly higher rental vacancy rates in 1990 than in 1989. Six states showed statistically significant declines between 1989 and 1990—Washington, Texas, Illinois, Wyoming, West Virginia and Alaska. The state of Oklahoma recorded the highest rental vacancy rate during 1990, 14.6%, while the states of Oregon, Washington and Wisconsin recorded the exceptionally low rate of 3.3%.

Among metropolitan areas, most cities in the economically depressed Northeast have seen their historically low rental vacancy rates rise in recent years, despite low levels of new construction. □

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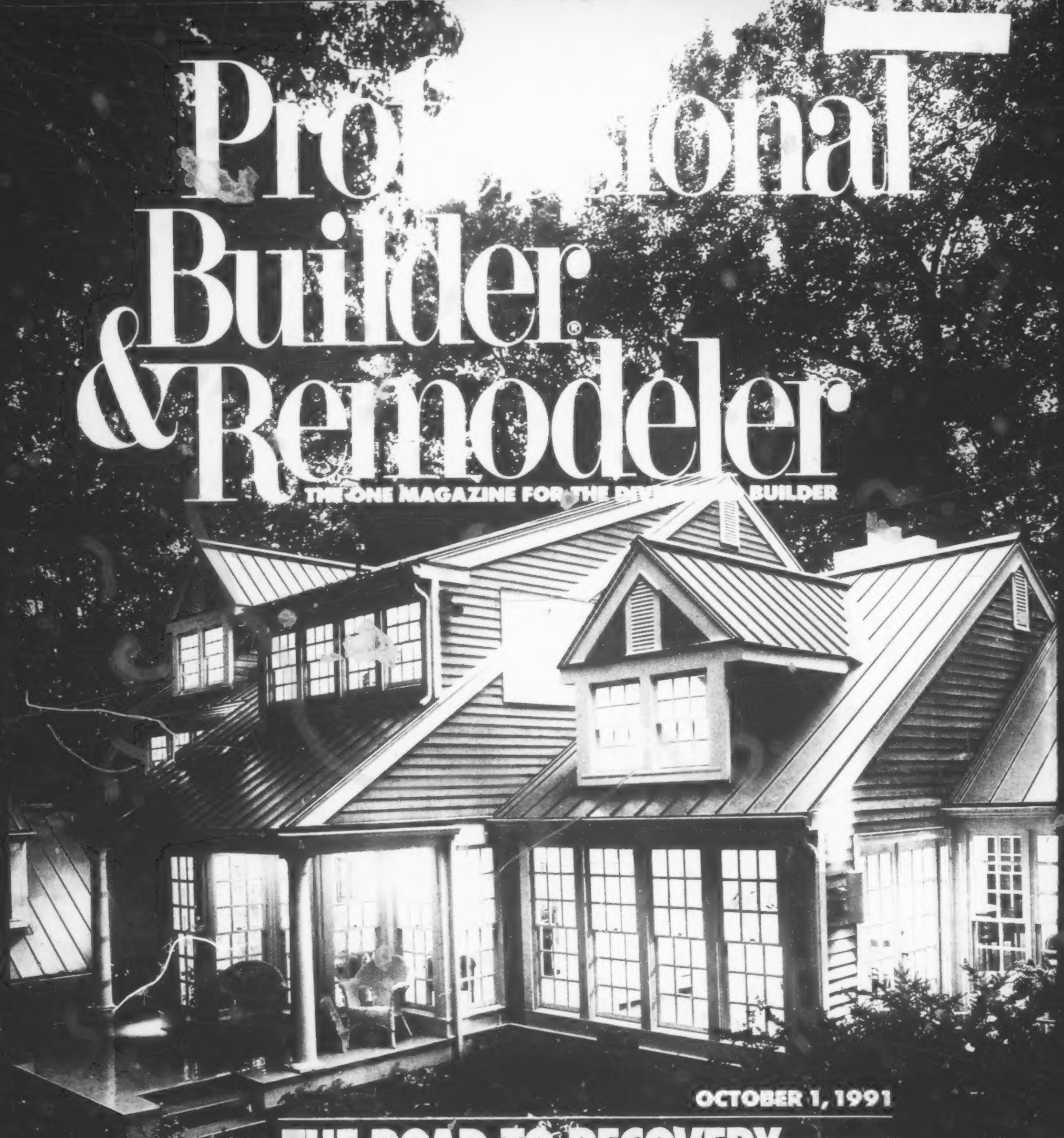

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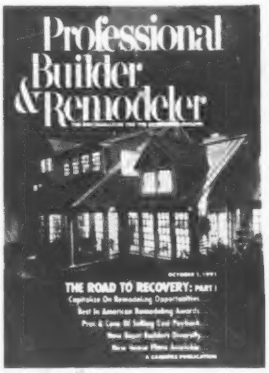

OCTOBER 1, 1991

THE ROAD TO RECOVERY: PART I

Capitalize On Remodeling Opportunities...

Best In American Remodeling Awards...

On The Cover

■ Victor Barr, a principal with the Martin Organization and head of Apple Construction, Valley Forge, Pa., transformed this suburban Philadelphia home from a dated split-level to a colorful contemporary design. It was one of two Grand Award winners in the Whole House Renovation category of this year's Best In American Remodeling Awards. More award winners can be seen in the story, which begins on page 122. The cover shot was taken by Fred Forbes Photography.

Diversifying into new opportunities: p. 14.

Selling remodeling professionalism: p. 116.

FEATURES

The Road To Recovery: Part I 104

Over the next three issues, our features will be devoted to market opportunities to help put the recession behind you. This month, we focus on remodeling.

Learn How To Sell Value 106

When you tell a client that a remodeling project will add to the home's resale value, can you back it up?

Promote Professionalism 116

This special four-page pullout section is designed to help consumers see the benefits of hiring a professional.

Best In American Remodeling Awards 122

Now in its second year, this awards program represents the best remodeling projects from across the country.

Remodeling Products 238

A selection of new products and programs can help your company succeed in the remodeling segment.

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Best In American Remodeling Awards: p. 122.

New lighting products: p. 238.

Exciting literature: p. 245.

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Business

■ Giant builders find that skillful estimating and supervision are the keys to remodeling success: *p. 14*. Kaufman & Broad is adept at finding usable infill sites in convenient locations: *p. 20*.

Markets

■ An impressive mid-rise condominium design delivers energy-consciousness and glamour to Florida: *p. 29*. Remodeler Chris Cutler converted a Victorian house that had been subdivided into four dwelling units back to a single-family home: *p. 32*.

Management

■ It pays to establish good relations with your subs. Here's why: *p. 73*. Computerized take-offs improve remodelers' efficiency and sales: *p. 78*.

Marketing

■ Three builders tell how broker incentives, resident referral and award programs can move those last few unsold or unleased units: *p. 89*. Creative advertising made sales sizzle at a UDC Homes community built on land purchased from the RTC: *p. 90*.

Technology

■ Protesting builders claim code changes in stair design will boost costs without improving safety: *p. 201*. Two leading designers offer solutions to traffic congestion in the kitchen: *p. 204*.

ROAD
TO
RECOVERY

Learn How To Sell Value

By Eric Benderoff, Associate Editor

What has more value: A 10-year-old's first home run in little league or winning a million-dollar lottery?

Value, like beauty, is in the eye of the beholder. But therein lies the challenge for remodelers—ascertaining how their clients determine value. In residential remodeling, there are two basic factors to consider: lifestyle benefits and investment payback.

Those who sell lifestyle value stress comfort. "Most of my remodeling is for personal pleasure," says Joseph Cassell of Cassell Construction, Ft. Lauderdale. "I stress how much the client will enjoy the finished product."

Selling investment value, on the other hand, focuses on financial gain. "People love to buy equity," says Brad Norgart of Harvest Enterprises, San Jose.

Overall, remodelers have mixed opinions when selling "value" is involved. In a telephone/fax survey conducted by *PB&R*, 87% of remodelers said they forecast what investment value a renovation will add to a client's house when making the sales pitch. What's surprising, however, is that only 29% take the time to actually track this data before and after renovation.

If remodelers are telling clients that specific renovations add to a home's value, shouldn't they be able to back it up with evidence?

"Yes," asserts Bryan Patchen of NAHB's Remodelors Council. "The best fact a remodeler can tell a prospective client is that he worked on a house down the block about three years ago and the homeowners recently sold it, with the cost of renovation absorbed by the selling price."

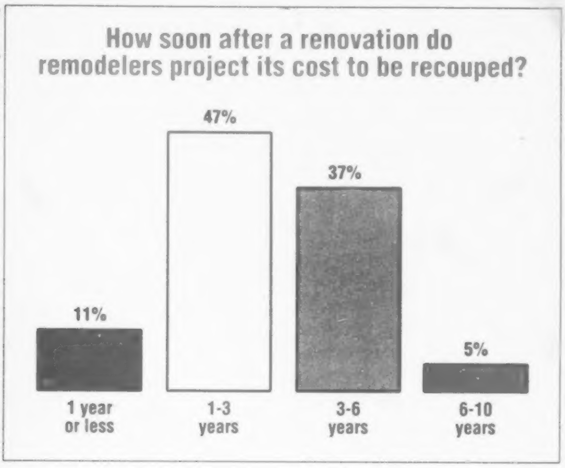
Recouping the cost of renovation is always speculative. If the homeowners' intent is simply to make a buck at resale, they must be prepared to take into account their location and surrounding home values, resist the temptation to overspend and select designs, materials and colors that have generic market appeal.

Remodeling usually will add something to a home's resale value (market appreciation alone still adds as much as 20% a year in some areas), but there are no guarantees that 100% of the project cost will ever be recouped.

How you respond to a client when these issues arise could mean the difference between getting the job or not. "If the homeowner thinks he may sell soon, even five years down the road, will renovation help it sell quicker and for a better price?" Patchen asks. "It's an investment in quality."

"Today's consumer is more cost conscious than living benefit conscious," says remodeler Carmen

Photo: Greg Hursley



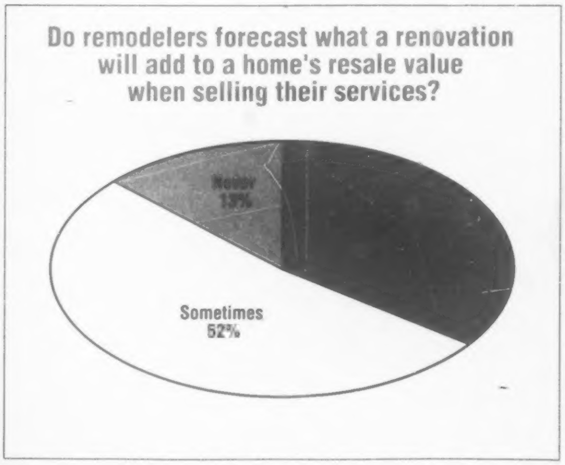
How soon after a renovation do remodelers project its cost to be recouped?

Top four remodeling payback jobs according to remodelers:

1. Kitchen renovation/addition
2. Master suite including bath
3. Second bath, or half-bath
4. Family room

Bottom four jobs:

1. Finished basement
2. Pool, indoor or out
3. Cosmetic work around house
4. Structural work that doesn't increase size of house



Do remodelers forecast what a renovation will add to a home's resale value when selling their services?

Photo: Jane Lidz

Contractors involved with remodeling say the two surest "investment cost payback" bets are kitchens and master baths.

Most remodelers sell payback; only 29% back it up with evidence

Santora, DiSanco Home Center & Remodeling, Rochester, N.Y. To reduce a client's fears regarding volatile home prices, Santora suggests that remodelers simply stay abreast of what's for sale and what has sold in neighborhoods they work.

"I take my own survey," says Santora. "I'll call the Realtor on the for-sale sign to find out what that house has or doesn't have, if the basement is finished, if it's been recently remodeled, and so on. If a past client just sold his home, I'll get the price and factor in the renovation. This is not hard to do.

"The result is that when I go to make a pitch and the person asks what this renovation will add to the house, and 90% *will* ask, I can give them comparables."

For example, Santora says in-law suites are currently popular is his community. The reason, he says, is that a significant number of transferees are entering his market and bringing relatives along. "If someone calls me from a certain suburb and says he wants to add a $50,000 in-law suite, I can tell him right away that his house will sell for $65,000 more than before because a neighbor's house on the next street added a suite and got that price."

Design/build remodeler Keith Boskoff, Architectural Design Concepts, Atlanta, says investment is the central element of his sales pitch. "Most of our customers are in the upper-end market, and they're pretty smart. Renovation better be a good investment or they just won't do it."

Boskoff is well-groomed in buying and selling renovated homes, having done eight for himself. "You can still find distressed houses on good lots around Atlanta," he says. A typical Boskoff client will buy a house for $350,000 in an upscale neighborhood, then spend a similar amount renovating it, for a total package worth about $700,000. "We look at the houses in the area—the square footage they have compared to what the client has," he explains. "I can basically renovate a home for $80 a square foot in neighborhoods where home values start at $150 a foot. The investment return is, in most cases, immediate."

Today's poor real estate market hasn't changed Boskoff's approach. "My clients know I've done this work before so they ask my advice on what will return the investment and what won't. I started this business by doing it myself, so I've always had a sensitivity to the investment end of remodeling. I present that right along with my design plans," he says.

Not all clients are interested in investment. They just want the job of their dreams. Still, remodelers should be prepared to answer the payback question.

"We can put together a case-by-case resale package for our clients," says remodeler Brad Norgart, Harvest Enterprises, San Jose. "People are keeping on eye on the resale market today. They are not throwing money away."

Norgart, also a licensed Realtor, subscribes to a networked software package, Daymar, that enables him—with a little interpolation—to track recently sold homes that have been remodeled. Like a multilisting service, Daymar details basic information on a particular property.

While Daymar does not always indicate whether remodeling has occurred, Norgart can figure it out on his own by checking the assessed tax base. For example, if the home has had the same owner for 20 years and was recently reassessed, he says, it's a good bet it was remodeled.

"I try to emphasize the value of staying put as opposed to moving," says remodeler Mark vanReuth, Brighton Builders, Arnold, Md.

He stresses this fact anytime the client gets "sticker shock" from the cost of remodeling: "When I come

Photo: Otto Baitz Inc.

Remodeling In Chicago Pays Back

Photos: Vinnie Baruch.

Tracking the numbers is as easy as opening a multilisting book. Immediately, one can find a home's sales price, school district and most importantly, what, if any, renovation occurred. In the pictured examples, two homes were renovated and two were not. All of the homes sold in 1991.

Houses **1** and **2** are in Park Ridge, an affluent northwest Chicago suburb. Home prices range from the high $100,000s to the low $300,000s. House **1**, on Merrill street, sold for $279,000. It is a Cape Cod with three bedrooms and two baths. The kitchen was recently remodeled. "The remodeling definitely helped," says real estate agent Janet Nesbit. "This house sold quickly in a tough market."

House **2** also sold, but for a lot less. It is on Washington in the same subdivision with the same schools. It has four bedrooms, only one bath, and in the words of real estate agent Patricia Pankus, "needed some TLC." This colonial sold for $219,000; $60,000 less than the Cape Cod.

Houses **3** and **4** are in Elk Grove Village, a tract community built in the early '60s. The town has a strong industrial base and an affordably priced housing stock. Both homes are on Elk Grove Road, a moderately travelled boulevard.

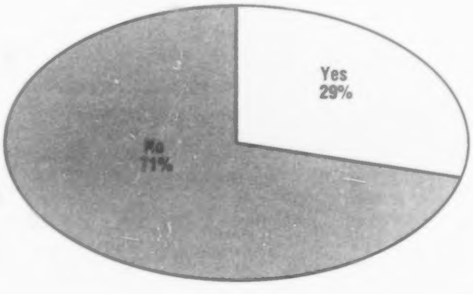
House **3** is a ranch with three bedrooms and two baths (both recently remodeled); it sold for $124,900. House **4**, also a ranch, has three bedrooms and *one bath;* it sold for $117,900—$7000 less. "If you have a tract of homes all about the same age, they will sell within the same price range," says remodeler Carmen Santora. "But the ones that have been remodeled will sell for a little more."

1) Park Ridge: Cape Cod, 3 bdrm. Remodeled kitchen. $279,000

2) Park Ridge: Colonial, 4 bdrm. 'Needs TLC.' $219,000

3) Elk Grove Village: Ranch, 2 bath (remodeled). $124,900

4) Elk Grove Village: Ranch, 1 bath. No renovation. $117,900.



Do remodelers track the home values of their jobs before and after renovations?

Noting high moving costs counters remodeling 'sticker shock'

back with an estimate of $100,000 to remodel, a client, on occasion, will gasp. They may say, 'Maybe I should look around for something new.' I'll encourage them, but before I leave I remind them what it costs to move: 7% Realtor commission, 2% in loan origination points, 1% for transfers; and miscellaneous expenses like new drapes, carpeting and a backyard fence to keep the dog from running away. It can add up to $25,000."

VanReuth also tells clients they can live at home during renovation, and that they are getting the curb appeal and pizzazz of a new house. "I always emphasize the enjoyment, then stress that when they do finally sell five years down the road, buyers will be impressed." More often than not, vanReuth's sales pitch works. "It's realistic," he says.

Like vanReuth, Rochester's Carmen Santora is realistic with his clients about the financial gains of remodeling. "If someone calls me up and says they want to put a bedroom in their basement and then I find out they really want an in-law suite, I'll encourage them to think about adding on the back (if there's room), or raise the roof to make the attic livable," Santora explains. "The cost will be one-and-a-half times greater than a basement job, but the return can be 10 times better." Santora says basement makeovers return only 10% of the investment, while a room addition, and especially an attic expansion, will get "90% to 100% return almost immediately."

He adds that 70% of his business comes from repeat referrals, a testament to his 22 years in business. "I just document my jobs and know what's happening in the neighborhood," he says. It's that easy. □

—PB&R intern Lisa Osborne contributed to this story.

Most common financial services remodelers offer:

1. Bank references
2. Second mortgages
3. Financing arranged through bank
4. Home improvement loans

Why Sell Lifestyle?

"Current economic conditions are reducing the added investment; clients should make themselves comfortable, not someone else." *William Cummings, Salt City Contractors, Liverpool, N.Y.*

"Not making claims about returns lets me explain real wants and needs." *E.B. Rayburn III, E.B.R. C.C., Carmel, Ind.*

"Homes are not investments." *Bill Grinnell, Venice, Calif.*

"Today's falling real estate market makes investment approach unrealistic." *Mel Silver, Tri-Boro Design/Remodel, Queens Village, N.Y.*

"Most clients like their neighborhood and aren't really concerned about the resale value of the finished product." *John Thompson Jr., Town House Development, Swampscott, Mass.*

Why Sell Investment?

"When viewed as an alternative to moving, even large remodels make economic sense." *Mark vanReuth, Brightview Builders, Arnold, Md.*

"I stress investment value because people love to buy equity." *Brad Norbart, Harvest Enterprises, San Jose, Calif.*

"Projects that don't pay off financially are individual, one of a kind jobs." *Len McAdams, The McAdams Co., Kirkland, Wash.*

"The lifestyle is the sizzle; the investment is the sales close." *George Kirk, Kirk Development Co., Phoenix.*

Best Bets To Recoup Costs

- ☐ Remodeling theme should complement the existing architecture and maintain conformity of the house. Include strong curb appeal.
- ☐ Do not overbuild for neighborhood. Best investment is bringing home up-to-date with norms of neighborhood; exceeding the norm is trouble.
- ☐ Renovate with saleable ideas of the times; use products that appeal to a wide audience if owner plans to move within five years.
- ☐ Energy-saving items like set-back thermostats, low-E or double-glazed windows, low-flow bathroom fixtures.
- ☐ Interior drama; combine great room, breakfast nook and kitchen in a flowing floor plan. Make it multifunctional, include a built-in bar.

Should remodelers use payback as a sales incentive?

Remodelers comment:

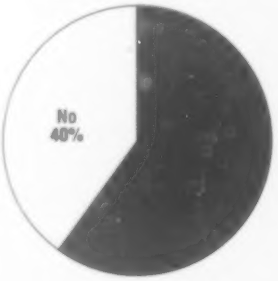
YES: "It assures the customer that they not only derive enjoyment from remodeling, but they also recover costs when they sell." *Ross Freidman, Windard Builders, Lake Forest, Ill.*

"It's a sales tool. Remodeling will add value immediately and you get immediate enjoyment." *William Madison Jr., Lake Forest, Ill.*

NO: "I don't feel it's a realistic sales tool because you don't always get 100% back." *Blaine Sandona, Sandona Construction, Des Plaines, Ill.*

"Owners are looking to spend a specific amount controlled by the appraised value of the house." *Bud Geers, Design Construction, Des Plaines, Ill.*

Remodelers' response:



Appraisers comment:

YES: "If sales staff is well trained, the advantages of remodeling can be demonstrated by matched-pair sales of remodeled vs. unremodeled homes." *Gary Declark, Realty Consultants, Chicago.*

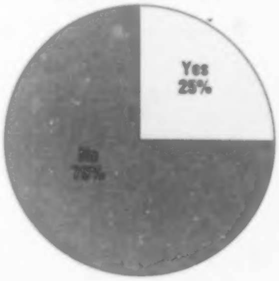
"But do not over improve house relative to price range in neighborhood." *Michael Beric, Lyons, Ill.*

NO: "The computation of the payback could be skewed, and hence, misleading to a homeowner." *John Urubek, Berwyn, Ill.*

"Too difficult to explain to typical homeowner on a numeric dollar-for-dollar return." *Anthony Uzemack, Park Ridge, Ill.*

"Buyers are concerned with what the property will do for them now." *William Price, Real Property Appraisers, Chicago*

Appraisers' response:



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PROFESSIONAL BUILDER & REMODELER (ISSN-1053-6353) (GST #123397457) Vol. 56, No. 16 is published monthly, except in January, February, April, May, August, and September, when two issues are published, by The Cahners Publishing Company (subscription includes all issues). Cahners Publishing Company is a Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Frank J. Sibley, Executive Vice President; Charles E. Moodhe, Senior Vice President/General Manager; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Senior Vice President/Finance; Thomas J. Dellamaria, Senior Vice President/Production and Manufacturing; Ralph Knupp, Vice President/Human Resources. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. **Postmaster: Send address corrections to PROFESSIONAL BUILDER & REMODELER P.O. Box 173377, Denver, CO 80217-3377.** PROFESSIONAL BUILDER & REMODELER copyright 1991 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Senior Vice President. Annual subscription rates for non-qualified people: USA, $139.95; Canada, $192.55; Mexico, $179.95; other countries, $195.95 for surface mail and $295.95 for air mail. There will be a surcharge for Air Mail of $100 on one-year rates and a $200 surcharge on two-year rates. Single copies are available for $20 (USA, Canada/Mexico and foreign). January 15 issue is available for $25 (USA, Canada/Mexico and foreign). Please address all subscription mail to PROFESSIONAL BUILDER & REMODELER, 44 Cook St., Denver, CO 80206. PROFESSIONAL BUILDER & REMODELER, PROFESSIONAL BUILDER and ANNUAL REPORT OF HOUSING'S GIANTS are trademarks of Reed Properties Inc., used under license.

Top Construction Markets For 1992 Found In Southwest

Special report indicates regions with growth possibilities for home builders and remodelers.

Cahners Economics has recently released its annual special report on the "Top U.S. Construction Markets" for next year. By following trends in building permit data over the past several years, we have been successful in identifying those specific geographic markets that hold the greatest potential for home builders and remodelers.

New Residential Construction: The sheer size of many of the nation's largest metropolitan areas practically guarantees that certain cities will rank in the "Top 50," regardless of how "hot" or "cold" the area's construction markets are in a given year.

In fact, of the regional areas projected to be in the "Top 10" for new residential construction in 1992, nine had actually recorded over-the-year declines in construction activity through the first half of 1991.

Only five of the 10 areas projected to be the top-dollar-volume markets for new residential construction in 1991 were on our "Top 10" list for 1991. On the strength of the relatively healthy economies of the Southwestern states, Houston, Phoenix, and Las Vegas have joined the list for 1992, along with Minneapolis and Honolulu.

In contrast to years past when California and Florida cities often accounted for upwards of 40% of the "Top 50" new construction markets, only six areas in California and four in Florida are expected to have enough construction volume to crack the top tier in 1992.

Residential Remodeling: Among the 10 cities projected to be tops for remodeling next year, three areas—West Palm Beach, Honolulu and Minneapolis—are new to the list. The geographic distribution of our "Top 50" remodeling markets list is considerably different, and more varied, than our new construction list.

Cities in the Northeast and industrial Midwest—areas with generally older housing stocks than most areas in the South and West—rank much higher on the remodeling list. Many of these areas have also suffered through a few years of very depressed conditions in their real estate markets, marked by sharply lower sales of both new and ex-

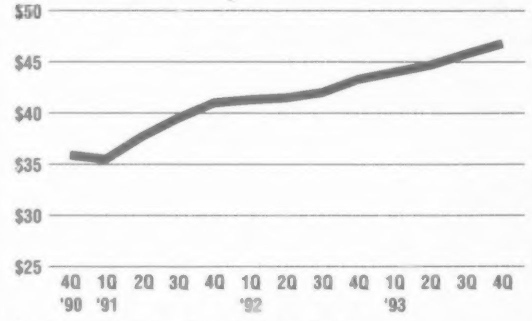
Continued on page 290.

Regional Market Conditions
(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Hartford	-8.3%	$110,608	-26.2%	-3.2%
Pittsburgh	-14.5%	$109,391	-15.2%	-0.1%
Charlotte, N.C.	-23.6%	$78,831	+1.5%	+0.4%
Nashville	-1.5%	$80,188	+0.1%	+0.3%
New Orleans	+25.1%	$73,177	-7.1%	+2.3%
Columbus	-9.1%	$110,363	-2.5%	+1.6%
Kansas City	-10.6%	$93,409	-11.7%	+0.3%
Phoenix	+14.6%	$108,955	+2.9%	+1.6%
Seattle	-40.7%	$117,787	-37.5%	+2.3%

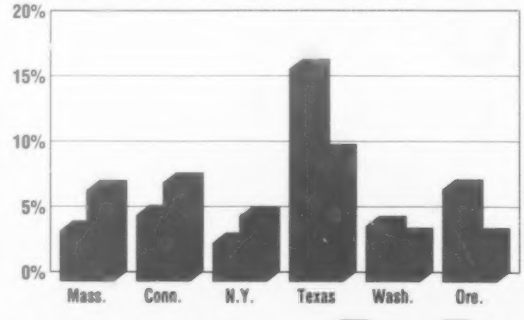
Sources: U.S. Departments of Commerce and Labor.

Forecast Of Addition & Alteration Spending



Data reflect quarterly averages, annualized rates in billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

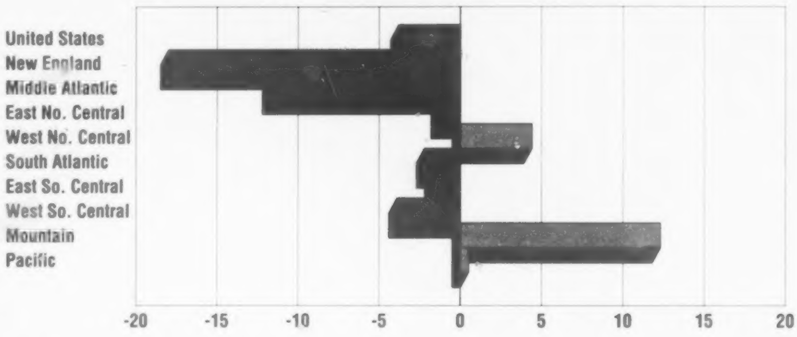
Rental Vacancy Rates in Selected States



Data reflect annual averages, 1986 and 1990.
Source: U.S. Department of Commerce.

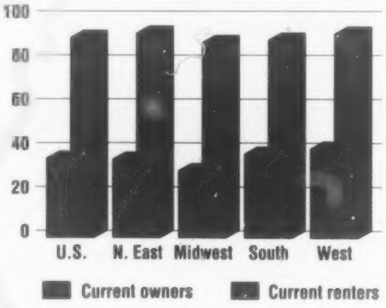
Residential Remodeling Permit Value Trends

(Year-To-Date 1991 vs. 1990)



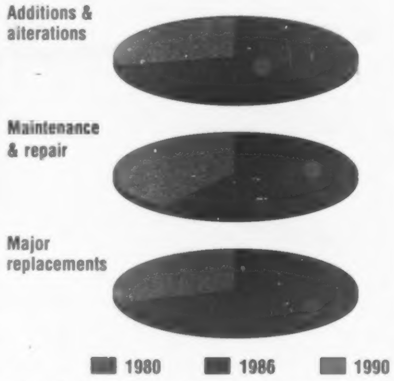
Source: U.S. Department of Commerce.

Affordability Status By Region, 1988



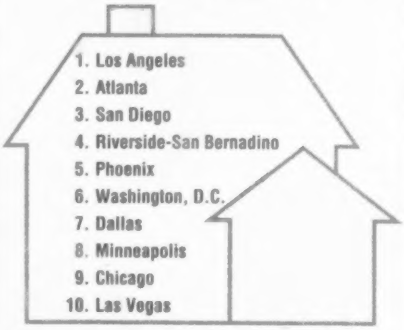
Data reflect % of families who could not afford the median-priced home.
Source: U.S. Department of Commerce.

Consumer Spending On Additions & Alterations



Data reflect share of total annual expenditures by type of job.
Source: U.S. Department of Commerce.

Top New Home Construction Markets–1st Half 1991



1. Los Angeles
2. Atlanta
3. San Diego
4. Riverside-San Bernadino
5. Phoenix
6. Washington, D.C.
7. Dallas
8. Minneapolis
9. Chicago
10. Las Vegas

Areas ranked by value of new residential building permits.

Source: Federal Home Loan Mortgage Corp.
Forecast: Cahners Economics.

Key Market Trends

	June '91	Sept '90
Total housing starts*	1,040,000	1,106,000
New home sales*	474,000	504,000
Remodeling permit trend	-3.8%	2.2%
Consumer confidence index**	78.0	85.6
Median new home price	$121,900	$113,000
Fixed-rate mortgages	9.62%	10.18%
Construction wage trend	1.5%	2.2%

* Seasonally adjusted annual rate.
** 1985 = 100.

Continued from page 289.

isting homes, and low overall levels of price appreciation.

These factors have served to spur remodeling spending, as homeowners have opted to "trade up in place."

The troubled Boston area market, for example, continues very weak in new construction activity, but remains a strong No. 12 on our projected 1991 remodeling list. Conversely, the Las Vegas area, which is No. 6 on our new construction list, is nowhere to be found on our "Top 50" list of remodeling cities for next year.

The fastest-growing new remodeling markets are scattered throughout the nation, presenting some good opportunities for remodelers in all regions of the country. Looking at permit trends through the first half of 1991, we find Honolulu's extraordinary gain of 99.5% leading the pack. Other sharp gains out West include Portland's 56.5% gain and Seattle's 33.7%.

In the middle part of the nation, Denver (up 18.5%), St. Louis (up 13.9%) and Houston (up 10.5%) all recorded good gains in permitted remodeling work through six months of 1991. While on the East Coast, Jacksonville (up 37.9%), Norfolk (up 24.6%) and even New York City (up 9.1%) moved up during this difficult recessionary period.

Copies of the full "Top U.S. Construction Markets for 1992" report are available for $75 from Cahners Economics. The report can be ordered by contacting Wendy Chambers at 1-800-445-0678 or by FAXing your request (Attn: Wendy Chambers) to 1-617-630-2100. □